

The China Weekly
REVIEW
密勒氏評論報

A Weekly Newspaper Established in 1917

Okada Appointment Aggravates Crisis on Far Eastern Front

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Recent German Developments and the Democratic Idea
Soviets Form an Army-Pact with France, Move Toward League
Banditry, Poverty and Pestilence Harass Japanese Rulers
of Manchuria

Japanese Renew Armed Train Guards Following Bombing
Incident; Canton Building Up Air Force

New Japanese Cabinet Does Not Improve Far Eastern
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Significance of Northwestern Antiquities
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The China Weekly

REVIEW

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RECENT GERMAN DEVELOPMENTS AND THE DEMOCRATIC IDEA

NO one can forecast what is likely to follow present developments in Germany, but there has been nothing in the news reports from that country in recent days that is likely to commend the adoption of a similar system in other countries. Mr. Mussolini's fascist state seems to have succeeded—in Italy—but the attempt to develop something along similar lines in Germany certainly has not succeeded if any dependence whatever can be placed on the news reports now coming out of that unfortunate nation. That the German people were not entirely responsible for what is now taking place in their country is obvious. The victorious nations which attempted to make the German people, living as well as future generations yet unborn, responsible for the War, were more to blame than were the Germans. It was the attempt of the Germans to resurrect their country from the intolerable conditions existing after the war that brought about the present situation which can be characterized by no other term than rule by violence. With six million German youths of both sexes wearing uniforms and practicing war games every day of the week throughout the year, it doesn't require much imagination to speculate on what is likely to happen in Europe. No man or woman dare utter a dissenting word and no newspaper in the land can print anything not authorized from headquarters. Even the preachers have been muzzled and the church congregations must accept the principles of faith officially handed down to them by the Reich-bishop. Whether the outcome of the present crisis will be civil war or a foreign war cannot be forecasted, but that prospects for future peace in Europe are not bright, is obvious. In the meantime financial and economic conditions in Germany become more desperate and since Germany is the workshop of Europe, the bad conditions in the Reich are reflected in worsening conditions all over the continent.

One of the most familiar statements that one hears nowadays is about the "breakdown of democracy." The statement has been repeated so often that many previously strong adherents of the democratic system have almost come to believe

that they have been wrong all along—that they should scrap their legislatures, congresses and parliaments in favor of one-man autocratic rule. But in the midst of all the charges, some of them backed by proof of the failure of the representative system of government, Great Britain last year emerged from the depression with a balanced budget and a surplus in the treasury. It is true that the British treasury balance does not take into account the defaulted debts owed to the United States, but behind it all is the fact that the British democratic representative system still works and it is still possible in England for people to speak their minds and argue about things. The same applies in the United States where financial and economic conditions are still disturbed, but nevertheless there is still freedom of expression. A foreigner of our acquaintance of strong liberal leanings recently toured the United States and he told us that he had not been stopped or interfered with from one end of the country to the other. Everybody talked to him freely and frankly about their troubles and did so without glancing over their shoulders to see whether they were being overheard or spied upon by some secret agent. Our foreign friend couldn't have made a similar trip in any one of a number of other countries that we might mention.

The example of fascist rule and its alleged success in solving political and economic problems in certain European countries has naturally had its reactions in the Orient, particularly in Japan where the military clique has been working for the adoption of a similar system. But while the generals and admirals have managed to greatly expand the Imperial domain by grabbing the territory of a neighboring state, they have not succeeded in solving their country's real or imagined ills. Externally they practically are at war with their two near neighbors, China and Russia, while domestically conditions continue to grow more desperate for the rank and file of the people. What the present fascist-obsessed war-lords of Japan overlook is the fact that their country made its greatest progress while operating under the parliamentary system of government. It is true that democracy in the Anglo-Saxon sense never had much of a foothold in Japan and that along with the development of the party system there grew up serious abuses of corruption on the part of officials, politicians and businessmen. But military fascism will not eliminate corruption; it probably will make it worse by blocking exposure and thereby accelerate the tendencies toward revolution.

One also hears much in these disturbed times about the possible merits of a fascist system as a panacea for China's ills. That China must develop as quickly as possible a strong and unified central government is the most obvious thing in the world, but whether an imported fascist system would solve China's troubles remains to be proved. In Europe where these systems have been adopted, the countries are small closely-knit political units, while China is a great sprawling giant spread over half a continent with primitive means of com-

munication and transportation. Few will question that China made a considerable botch of her experiment in republican government, immediately following and for a considerable number of years, after the 1911 revolution. But in spite of the inefficiency, political turmoil and corruption, the important fact stands out that the country managed in some way to hang on to all of its territory, even most of the outlying border areas where the central authority was weak. The nation managed, in one way or another to avoid serious conflict with foreign nations and there was some progress. We don't know how many constitutions China has tried to adopt and operate since 1911, but even though most of them failed to function, prior to the coming in of the Nationalist movement, they did indicate a striving toward democratic ideas on the part of the people. Had the country been in possession of its full sovereign rights the people might have made a better job of their democratic experiment. The present tendency toward imported fascist forms is a natural reaction to the foreign aggression and oppression to which the country has been subjected. But recent experiences in Germany plus present and pending development of an alarming nature in Japan, may cause China to exercise extreme caution with regard to the adoption of similar imported systems here. President Roosevelt, in a recent reply to those advocating fascism or communism in the United States, declared that the Administration was in favor of neither, but was following a middle-course designed to bring happiness to the greatest number in strict accordance with established democratic forms with which the people were familiar. We imagine that when the situation finally settles down in China that the system of governmental administration found most workable will be one that accords as nearly as possible with traditional Chinese ideas with which the people are familiar, and which, so far as their local affairs are concerned, is essentially democratic.

SOVIETS FORM AN ARMY-PACT WITH FRANCE, MOVE TOWARD LEAGUE

THE special correspondent of the *New York Times* in Berlin reported that France and the Soviets have made a military agreement providing for technical cooperation between their armies. Nothing was said about the agreement in reports from either Paris or Moscow, but the Nazi press exploited it in banner headlines, along with reports that accompanying and alongside the military agreement a thorough understanding had been reached on the matter of Russia's entrance into the League of Nations. The German newspapers interpreted the agreement between Russia and France for technical cooperation "as the first stone in a wall that will ring Germany on all sides . . . but for the present the technical cooperation will consist in the exchange of 'certain plans' and 'inspection officers' . . . Gen. Gamelin, representative of the French general staff, will shortly proceed to Russia to see how the preli-

minary agreement can be expanded into a genuine treaty of military assistance, another word for military alliance. As for Russia's entrance into the League, the *Times'* correspondent stated that this move had been facilitated by Russia's dropping most of the conditions previously placed upon her adherence. Continuing, the dispatch declared, "Thus the pieces are moved again on the chess-board in the great game of European diplomacy as it enters a new stage not altogether tending toward that peace which it is Geneva's mission to establish and which League adherents strive to find in all new developments." Although highly apprehensive at the alleged attempts on the part of both France and Russia to effect the "encirclement" of Germany, the Nazi press tried to argue that Germany might obtain some benefits for Russian entrance into the League might lead to revision of the covenant with elimination of sections objectionable to Germany. The Germans also argued that, since France through the Russian agreement, might find some of the "security" she longed for, France might cease objecting to the re-arming of the Reich.

In a further reference to recent developments in Europe which have a special interest in the Far East, the *New York Times'* correspondent said that Maxim Litvinov's proposal for the creation of a "permanent disarmament conference" was the most sensational development at the recent disarmament discussions at Geneva. This constituted, in the correspondent's opinion, a complete reversal of Russia's previous position which was: Disarmament first and some weak political measures to guarantee peace, perhaps, afterward, if these are not too closely tied to the League of Nations. Now, however, Russia's position may be stated as: Security first, by strong measures tied tightly to the League, with disarmament afterward. This includes transforming the disarmament conference into a permanent anti-war conference. In further explanation of his idea about a permanent disarmament conference, Mr. Litvinov said that it "should work out, extend and perfect measures for strengthening security. It should give timely response to warnings of impending danger of war, to appeals for aid and in cases of appeals from a threatened State, and it should afford the latter timely aid within its power, whether such be moral, economic, financial or otherwise."

Dr. V. K. Wellington Koo, Minister to France, who returned to China last week, said in the course of an interview, that all arrangements had been made for Russia's entrance into the League on September 10. The *Chekiai* news agency, which circulated Dr. Koo's interview, also said that France probably would demand that all Naval Powers, large and small, should participate in the 1935 Armament Conference, not only Germany, but Soviet Russia, Spain, Holland, Argentine and Belgium. The French also will insist that the Conference be held in Geneva so as to give the meeting a distinctly League of

Nations background. However, the Japanese are opposed to this suggestion and also the suggestion that the conference be held in either Washington or London. Aside from these issues the Soviets, if invited, will undoubtedly try to have their principle of Security accepted by the Conference, "the degree of naval disarmament to be fixed according to the degree of security obtained by the different Powers. In this connection the Soviets will undoubtedly attempt to have their frontiers guaranteed by a pact of non-aggression signed by all the members of the Conference." In view of these various controversial elements, the Chinese news agency expressed the belief that the Conference will not be able to convene before the latter part of next year.

French Foreign Minister Explains Object of Trip to England

M. Louis Barthou, the French Foreign Minister, in a speech the French Chamber July 6 pointed out that the object of his trip to England was to develop and confirm the understanding reached between the British and French delegations at Geneva on June 7. It has been pointed out, however, by leading London newspapers, that the British Government is not prepared to go beyond the terms of the Locarno Pact in its commitments in Europe, and Italian newspaper comment, in recognizing that view, says it does not appear very dissimilar from Italian opinion. M. Benes, Foreign Minister of Czecho-Slovakia, has emphasized the need for an Eastern European Pact similar to Locarno in which the Soviet Union would be included.

A denial that anything in the nature of an alliance with France was contemplated by Great Britain was made by Stanley Baldwin, Lord President of the Council and Acting Prime Minister, in the House of Commons July 6.

The *London Times* July 7 said that the policy of Great Britain, in every respect, seems destined to remain passive for some time as the British government and British opinion is resolutely hostile to a policy of alliances in the face of the division which now prevails in Europe. However, reports from London through the French *Havas* service on July 11 indicated that Britain and France will again return to their pact of mutual assistance with respect to the Franco-German border.

Viscount Cecil Attacks British Rearmament Policy

Viscount Robert Cecil, chairman of the British Union for the League of Nations, in an article in the *Manchester Guardian* July 7 attacked the British National Cabinet for its rearmament plans. Viscount Cecil says in substance that the government's decision to proceed with the aerial rearmament of the British Empire is to be explained by the absolute lack of control and guiding principles among members of the government. This new policy, the writer says, will entail serious consequences, as it will entitle Germany to state with more right than ever that the clauses of the Versailles Treaty are no longer valid.

The *London Daily Chronicle* July 1 announced that the British Cabinet had decided to return to the pre-war policy of "the biggest navy in the world." This will involve the construction of 30 cruisers, 12 dreadnaughts and several destroyers and aircraft carriers and will cost £100,000,000, spread over five years. The Cabinet, has also decided, the paper continued, on increased mechanization of the army, enlargement of the territorial forces and extension of the Royal Air force reserves. Coincidental with plans for 600 new fighting planes, airdromes will be established in India, Aden, Hongkong and Singapore.

Italy Is Blamed by British Press

In a large measure, the difficulties which have beset the London discussions preliminary to the forthcoming naval conference are laid at the door of the Italian government by the British press. The *Morning Post* commented that Great Britain and Japan were both ready to accept a 25,000-ton limit for battleships, but Italy has now changed the whole situation, which, henceforth, will be menaced by Italy's construction of 35,000-ton ships. "It Rome persists in building larger vessels," the *Post* concluded, "it will be impossible for France and Great Britain to accept a smaller tonnage maximum and, at the same time, it will be hopeless to request America and Japan to accept this smaller maximum."

Fred A. Britten Urges Protective Naval and Air Bases in Pacific

Fred A. Britten, Republican Representative from Illinois and former chairman of the House Naval Affairs Committee, is quoted by the *United Press* as urging that protective naval and air bases should be established in American islands in the Pacific if Japan insists on scrapping existing naval ratios. Mr. Britten cited recent statements of Japanese officials that they will seek a larger navy at the naval

conference next year. "There is no clear reason why Japan should be planning to get a larger naval ratio when the navy treaties are reconsidered next year. Her recent seizure of a million acres in Manchuria does not make it necessary and there seems to be no threat to her from the Chinese navy. The present ratio with the other powers has been satisfactory for some years. The only conclusion is that she plans to dominate the Pacific with a navy as great as any on earth. If that is Japan's intention, then other powers in the Pacific must be on their guard that Japan does not duplicate among their possessions the methods she used in Manchuria," Mr. Britton argued.

According to recent Japanese telegrams from London, Norman Davis, the American delegate, definitely declared to Premier MacDonald in the course of the recent negotiations on the naval question, that the United States cannot recognize Japan's demand for naval parity with Great Britain and the United States.

W. R. Hearst, American newspaper publisher, on his arrival in Cardiff (Wales) last week told his interviewers that he favored President Roosevelt's idea that the world should disarm in the interests of civilization's peace. He added, however that if there is to be a world race in armaments, the United States is not going to be outdistanced or endangered. If there is to be a contest in shipbuilding and the building of airplanes, the British Empire and the United States will win, he said. He advocated that the U. S. keep its hands off the Far Eastern situation. "If China cannot take care of herself, it is her own fault. We can sympathize and we can express sorrow at her folly, but there's no reason why we should entangle ourselves in her disaster," Mr. Hearst added.

Two Torpedo-Boats Ordered by Siam in Japan

A recent Tokyo message stated that two torpedo-boats, displacing 400 tons each, ordered by the Siamese Government through the Mitsui Bussan Kaisha will be built by the Kawasaki Ship-building Company.

Six U.S. submarines, were ordered July 3 to proceed up the Pacific Coast from the naval base at San Diego and continue to Alaska. They are due to arrive at Dutch Harbor August 11, shortly after the naval flying squadron lands there on its flight from Southern California.

Admiral Chen Wants \$60,000,000 to Build Ten Warships

Plans for construction of 10 war vessels of various grades have been revealed by Admiral Chen Shao-kwan, Minister of Navy, in

a statement given recently to the Chinese press. A sum of \$60,000,000 is required for naval armament and a petition for the appropriation has been filed with the National Government, Admiral Chen said. The 10 war vessels planned are to be the second stage of the ambitious program laid down by Admiral Chen to strengthen the coastal defense of China, it is understood.

The possibility of converting Bias Bay, notorious as a haven for pirates in South China, into a naval base, is being discussed in Cantonese naval circles. According to the scheme, the Whampoa Naval Academy will be removed to the shore overlooking Bias Bay, and the naval wireless station there is to be enlarged in order to keep in touch with steamers in adjacent waters. The naval construction works are also to be removed to Bias Bay, which is about 35 miles north-east of Hongkong.

On arrival in Shanghai from Nanking June 27 Admiral Chen Shao-kwan, Minister of Navy, inspected the construction work of the new dock of the Kiangnan Dockyard in the Arsenal district. The new dock is scheduled to be completed in September this year. Admiral Chen announced that the Naval Ministry is planning to establish a Naval College at Nanking, preparations for which are now under way.

French War Veterans Vote Against War

The Congress of French War Veterans in session in Paris July 9 passed an anti-War resolution in which they urged the imperious necessity for the League of Nations to stipulate immediate collective sanctions against all forms of warfare.

A total of 1,400,000 French officers and men lost their lives in the Great War, according to final official statistics just published in Paris. Of these, 1,288,000 belonged to the army and 112,000 to the navy. The list includes all those who either were killed outright on the battle field or who died as the result of wounds.

Captain Yasutaro Myashita, of the Naval General Staff, was been ordered to proceed to London, where he is expected to assist Tsuneo Matsudaira, Japanese Ambassador to the Court of St. James, in the naval preliminary negotiations.

Moscow *Pravda* July 8 charged that the German people were being placed on "starvation rations" in order to save gold to build "an industrial basis for a war adventure."

Banditry, Poverty and Pestilence Harass Japanese Rulers of Manchuria

IN the issue of *The Review* for June 30 there appeared an article by a Japanese correspondent in Tokyo, telling of the practical breakdown of the Japanese military administration in Manchuria. The article stated that conditions closely bordering on terror prevailed in many parts of the country and as a result thousands of farmers and small merchants had resorted to brigandage in an effort to escape from the intolerable conditions. The Japanese correspondent, a well-known writer, stated that these charges of Japan's failure in Manchuria were not based on the rantings of discontented Chinese or anti-Japanese propagandists, but constituted the findings of high officers of the Imperial Japanese Army, who recently had completed a check-up on conditions in China's former northeastern provinces which have now been under Japanese army rule for practically three years.

In addition to the foregoing report which occupied practically two columns in the *North-China Daily News*, there has been a sufficiency of evidence from other Japanese sources proving the failure of Japanese military administration in the puppet state of Manchukuo. Col. Watanabe, chief of the special corps of the Himeji Division, which returned to Japan on May 4 after several months experience in Manchuria, declared in the course of an interview in the Japanese newspapers that "while Manchuria was reported to be tranquil,

the facts were otherwise . . . except for the railway zone and principal towns, all districts are still infested with 'bandits' . . . our division lost 28 dead and 63 injured in recent engagements."

Further unmistakable evidence of Japan's failure is provided in the monotonous, almost weekly processions, through the port of Kobe of detachments of soldiers and Shinto priests carrying the ashes of Japanese soldiers who have paid the supreme sacrifice for Japan's imperialistic adventure on the Asiatic mainland. On May 1 the chanting Shinto priests and special military escort carried the ashes of twenty-seven dead Japanese soldiers through Kobe to their final resting places on Japanese soil. On May 7 the same sorrowful procession carried the ashes of thirty-two officers and men killed in various Manchurian engagements. On the same day the Japanese newspapers reported that the Tamura detachment had lost 7 killed and many more wounded in a clash with 1,500 so-called 'bandits.' On May 10 Chinese peasants in north Manchuria revolted over an order given by the Japanese military authorities for the farmers to submit their land title-deeds for inspection and registration. The ensuing fight resulted in 50 Japanese and 300 Chinese farmers being killed. A few days later a number of armed Chinese forced an entrance into the home of a Japanese army officer, Captain Tominaga, in Harbin and murdered him. On May 17

Chinese volunteers ambushed a Japanese army truck at the town of Ningan in eastern Kirin and massacred thirteen Japanese soldiers. And about the time this was happening another group of Chinese volunteers surprised the Japanese garrison at Hulin, drove them out with severe, but unstated losses, and occupied the town. In the last week in May, another large force of Chinese (labeled "bandits" in the Japanese report) derailed a Japanese troop train at Pamyatun on the Mulin branch railway and succeeded in killing thirty-five Japanese soldiers before a Japanese relief detachment arrived. A few days preceding this incident another gang of Chinese bandits, numbering 200, surprised a Japanese road construction gang a few miles south of Changchun, the Manchukuo capital and shot the Japanese superintendent through the head, killing him instantly. At about the same time another Japanese road construction gang near Harbin was attacked in similar manner and four Japanese overseers killed. On May 15 armed Chinese near Hailar in the Barga district shot down a Japanese military airplane and killed Lieut. Kinichi Sato and Sergeant Mineo Nishkado.

Despite Japanese claims pertaining to the pacification of Manchuria which are handed out to the foreign newspaper correspondents in Tokyo and broadcasted to the world by Japanese propagandists abroad, authoritative reports from foreign consular sources in Manchuria state there are still 60,000 Chinese volunteers operating in Kirin province, while the number in Heilungkiang is estimated at 80,000. And this in spite of the fact that the Imperial Japanese Kwantung Army has now expended approximately Yen 600,000,000 on the pacification of Manchuria since the original occupation on September 18, 1931, the expenditure in the fiscal year exceeding Yen 65,000,000.

As final evidence of the Japanese debacle in Manchuria, we present the following paragraphs from a letter to *The Review*, which was written by a foreign resident of Changchun, the Manchukuo capital city, on July 1, which tells a dismal story of Japan's failure to bring either peace or prosperity to China's former northeastern provinces:

"Manchukuo, freed from the evil domination of Chinese warlords and the attempted grafting of alien forms of government on to their age-old beliefs in the spirit of Wangtao, emerged through kindly Japanese intervention, into the dawn of a new peace and prosperity."

This excerpt is taken from a long article written by a newspaperman subsidised by the kindly race which intervened so disinterestedly to form the new "empire," where peace and prosperity reign.

A week's gleaning from the *Manchuria Daily News* "oldest English language newspaper in Manchuria" shows no less than 20 stories, seven of these being on bandit outrages, in which it is definitely illustrated that if peace and prosperity exist in this refurbished state it is in the minds only of those responsible for its genesis.

Dealing with the bandit menace first, which is, according to reports from those who make "inspection trips," entirely obliterated except in the hilly fastnesses, a conservative estimate must place brigand attacks at a minimum of one per day on a monthly average. Examine some of the headlines in the *Manchuria Daily News*. "Fifty Bandits

Seize Fifty Chauffeurs," "One Killed, Seven Injured As Bandits Wreck Train On N.M.R. Eastern Section," Lutzukou Taken By Bandit Gang," "Brigand Groups Harrying Camps In North Manchuria."

Examine in detail the localities of the week's affrays in peaceful Manchukuo. A powerful bandit force attacked the town of Pingyangchen, northwest of Chingchouhu. Bandit troops assailed a cavalcade of the International Express Company at a point eight kilometers west of Erchan on the Peianchen-Koshan line. Two hundred bandits planning a night foray on Hsingking, about 50 miles east of Mukden were stampeded. Destruction by a Red bandit raid on Liutaokou village in the Linkiang Prefecture resulted in 168 houses burnt, five killed and five wounded with damage incurred amounting to MY 40,000. Bandits destroyed the track, and two locomotives and a wagon were hurled over an embankment to the west of Muling on the N.M.R. line. The town of Lutzukou, near the Tumen frontier was occupied by bandits. In the story of the brigand groups harrying the camps in North Manchuria the locales include Peianchen, West Manchuria, the Hulan-Hailun line, Changpai Lake and again a district to the north of Peianchen.

The "isolated groups, operating only in the inaccessible mountainous districts" must indicate that with the change of government a geographical transition has also taken place at such spots, as for instance 50 miles from Mukden immediately upon bandit outrages occurring, become inaccessible and mountainous. This sop to Cerberus is however sufficient. Japanese officialdom moves blindly on its way, content with the fact that the "inspectors" aver that banditry is, in effect, obliterated.

The person in Manchuria who is of an enquiring turn of mind can garner nothing from official sources which might be construed as grist to his mill. He asks of the condition in the country. He is told that peace and order exist everywhere. He may hazard the opinion that "everywhere" must be a slight inexactitude as he had just read of a series of brigand attacks in different parts of the country. He is told again that there is no such thing as lawlessness in Manchukuo. He becomes heated and says that a bandit outrage took place within a few miles of where he happens to be at the moment. The official will inhale audibly and say, "Yes, there was a bandit outrage." And that will be that. If the person continues and becomes more pointed in his inquiries he may, particularly if he is a newspaperman, find his entry to Manchukuo barred for the future.

For Japan the success of Manchukuo is her most intimate and urgent career, and as is well known there is a point in the career of any person, institution or nation when the practitioner ceases to be such and becomes the objective itself. The agent fades into the background and in this manner each official in Manchukuo, even to the most petty, considers himself as his mother country and it is thus that he can see Manchuria only as Japan would have it.

This condition of the mind persists in the other mythical coefficient of the new state—prosperity. Thirteen stories occur in the Japanese-owned *Manchuria Daily News* for the week already spoken of indicating that the country is in a rather desperate situation. Detecting the most urgent predicament—that of the soya bean producers, whom quotas and restrictions abroad have almost harried out of business—this particular season has been no less than disastrous.

Scanning the news, the most disastrous scourage proves to be floods. One story says that the Nonni has overflowed its banks and inundated low lying farm lands, while the crops in the Taili and Kannan Prefectures have been destroyed. The item concludes by stating that a calamitous famine is impending should the unfavorable weather continue.

The derailling of international trains has been caused by the same rainy conditions, construction work, only possible during a certain period of the year has been halted, buildings, railway stations and cities have all been inundated and flood prevention work is being essayed throughout the whole of the north.

Proceeding further it is discovered that the cotton crop in various districts of Manchukuo has developed poorly owing to inclement weather after germination. In certain

spots the crops have been entirely ruined and replantation is in progress. Even if the weather continues favorable, the story continues, no normal yield can be expected this year. The Fengtien Province is considering relief measures.

"The Kogyuko" apple crop has failed completely this year," is another item of interest, and it is learned that the orchard keepers are in a sad plight after the failure of the crop last year.

Serious havoc is also found to have been wrought upon the rice plants in the neighborhood of Yingkou by crabs. These, with diabolical ingenuity, waited till the plants had reached the height of eight inches or so before making their forays. Approximately 170 acres of rice fields have been affected.

Manchu shipping firms at Yingkou have been hit badly as the result of the slump in trade with South China, and are now attempting to recoup their losses by transferring their ships to services for Japan.

Overproduction of tussore silk, corresponding with a period for dull export trade with foreign countries, has placed the filatures at Antung in an unfortunate position. No prospect of any immediate revival is visualised.

Oil mill owners in the different districts of Manchukuo have been buffeted badly by the depression and are in sad straits. The Board of Industry of the Fengtien Provin-

cial government has mapped out a relief plan to cope with the situation, according to reports from a reliable source.

Additional ills are made known by the report that dysentery is spreading along the principal centres of the S.M.R. lines, and that Mukden has set aside a day for preventive measures against rabies.

For one week's gleaning among the sheaves of big news stories this sounds like a formidable array of disaster, potential or actual, failing entirely to reconcile itself with the glowing reports given out by the Japanese press of the favorable conditions prevailing in the new land of Manchukuo. The hiatus may exist in actuality but it is never allowed to impinge on the Japanese mind.

For a nation which so severely censors its news it seems strange that such accounts are allowed entry into the papers, and one is forced to wonder what the actual conditions may be in a land alleged firmly to be in such a prosperous and peaceful state. Either the Japanese must ban all stories indicating even ever so slightly the possibility of disaster or disorder, or conversely be prepared to admit that even under their heaven-sent guidance the country has changed but little since the old days before it was removed from the motherland by this gentle, magnanimous and honorable nation, seeking only to aid a harassed race.

New Japanese Cabinet Does Not Improve Far Eastern Peace Prospects

A MESSAGE through the *United Press* from Washington on July 5 stated that "surprise" was the outstanding reaction registered by Washington officialdom when informed of the appointment of Admiral Keisuke Okada to succeed Viscount Makoto Saito as Premier of Japan. This was a mild way of stating that Washington was disappointed to hear the news, but it didn't require this dispatch to convince observers in the Far East that political conditions continued critical in the Island Empire, or that peace prospects in the Far East were no more favorable than they have been in the past three years.

As a matter of fact the appointment of Admiral Okada as Premier constitutes the best possible indication that conditions have become more critical than they were even under the preceding Saito Ministry. But before proceeding to an explanation of the crisis which caused the Tokyo military clique to drop Saito in favor of Okada, it should be stated that Keisuke Okada, 66-years of age, is a retired admiral and member of the Supreme War Council. After the usual naval career, which included command of the Sasebo Naval Base and Arsenal, he became vice-minister of the Navy and from 1927 to 1929 was Navy Minister. That Okada is a "big-navy" man and supporter of Japan's claims for naval parity with America and Britain goes without saying.

But some explanation is required as to why the present ruling military clique decided to drop Viscount Saito, whom the militarists put in office only two years ago, in favor of Okada whose name was not even included among the numerous prospective candidates for the premiership which were mentioned in the newspapers reports. Okada, of course was selected because the Japanese warlords considered him safe and amenable to their

wishes and, of more importance, friendly toward their policies which have dominated the Far Eastern situation since the original adventure into Manchuria in the fall of 1931. But why was Viscount Saito, also a creature of the military, dropped? The announced reason was a serious scandal involving wholesale bribery on the part of the vice-minister of finance. But this was not the real reason for prior to this scandal three other cabinet officers had been forced to resign because of similar or even worse charges, and the Saito Ministry was allowed to continue in office. Bribery and corruption on the part of high officials in the Japanese Government have become so common in recent years that it is openly stated in foreign diplomatic circles that government in present-day Japan probably is the most corrupt in the world. It is therefore quite obvious that the Saito Ministry was not kicked out merely because the Minister of Justice, Koyama had caused the vice-minister of Finance, K. Kuroda, to be locked up in jail on charges of bribery.

Guarded statements in the Tokyo newspapers alleged that the Saito Ministry, although the tool of the militarists, had fallen down on the important job of "keeping up the country's discipline," and worse, "had failed to realize an active continental policy." As these statements do not convey much meaning to the reader, it is necessary to explore further into recent reports in the Tokyo newspapers giving details regarding an important meeting of the Japanese Cabinet held on June 26. This meeting was important because the plans for next year's budget were discussed. According to the *Osaka Mainichi*, it was at this cabinet meeting that the Minister of the Navy, Admiral Mineo Ohsumi, and the Minister of War, Gen. Senjuro Hayashi, presented their demands for further extraordinary sums for

military development. The Minister of Navy demanded altogether some 600,000,000 yen for his department, including appropriations for new ships, remodeling of old ships, strengthening of weapons and finally 8 additional naval air-corps. The demands of the War Minister were not stated, but the *Mainichi* said they were equally exorbitant, particularly the heavy appropriations requested for strengthening the army air-forces and for military activities in Manchuria, including

purposes for the current year. Now they are planning to work the same "racket" in obtaining still larger appropriations in the next budget.

This was the straw which broke the camel's back, causing the Saito Ministry to tender its resignation on July 3. On the preceding day, July 2, the *Japan Advertiser*, American paper published in Tokyo, printed in the leading column on its front page, a translation from the *Jiji* quoting the Finance Minister Korekiyo Takahashi



This Cartoon, which was headed "Pacifying the Far East," appeared in the Russian newspaper "New World," on July 8.

the arming and organization of several new divisions in Korea. These demands of the Army and Navy authorities were made on the familiar ground that Japan is "facing a serious crisis in 1935-1936," making such heavy appropriations necessary.

There is, of course, nothing new about the so-called "crisis of 1935-1936" which the Japanese war-lords have been exploiting for many months. Through speeches by army and naval officers, distribution of pamphlets, and editorials in the subsidized press, the Japanese military leaders have convinced a considerable section of the Japanese people that their nation will face a crisis of cataclysmic proportions when the Washington arms-limitation treaties expire and when Japan's resignation from the League of Nations becomes effective. The Japanese generals and admirals used this propaganda effectively in getting their enormous appropriations through the session of the Diet early this year, appropriations which ate up more than half the expenditures for all

as declaring that there was nothing concerned with the so-called "crisis of 1935-1936" which necessitated the expenditure of further large sums for military purposes. He said that the Finance Ministry had conducted an extensive survey of economic conditions in both America and Britain and had found that neither country was in a position to wage war on Japan. He therefore opposed the exorbitant demands of the military clique and had definitely decided to make a "drastic retrenchment in army and navy appropriations in the fiscal year of 1935-1936." In further elaboration of his views Takahashi said that he had heard so much talk about the "international crisis of 1935-1936," portraying acute dangers for Japan, that he had been prompted to make an independent investigation. As a result of this inquiry, extended to both the United States and Great Britain, Mr. Takahashi stated that he had found the fear of a "crisis" entirely unfounded and unnecessary, hence he had decided to take advantage of the data he had

gathered to enforce drastic cuts in the defence budget which had been presented by the War and Navy departments at the Cabinet meeting on June 26. He had accordingly ordered the Budget Bureau to cut the military demands "to the last sen." The Finance Minister, in his statement, admitted that the Japanese military officers were nervous about the American and British military personnel, but expressed the view that economic conditions prevailing in both America and Britain were such as to preclude either nation from adopting an aggressive attitude toward Japan. In view of this situation, why was it necessary for Japan to continue to spend such vast sums on unproductive military equipment.

This declaration by the venerable Takahashi naturally created a sensation in Tokyo military circles, because it closely followed the presentation of the Army and Navy demands for increased funds and more, it controverted their propaganda campaign, designed to keep the Japanese public in a fever of excitement over the so-called "crisis of 1935-1936." The resignation of the Saito Ministry was requested on the following day and immediately afterward it was announced that the "dark-horse" Admiral Keisuke Okada had been selected as the new Premier and that there would be no change in policy, either on the matter of naval replenishment, or with respect to Japan's so-called "continental" policy.

The retirement of Finance Minister Takahashi, who had the respect of the businessmen and financiers, naturally will not enhance the confidence of these important elements in the new ministry despite the report there will be no change in policy. Shortly before the retirement of the Saito Ministry he stated that while there had been some improvement in national revenues, it had been necessary to issue "deficit" bonds to the amount of Yen 810,000,000 in order to meet the demands of the military authorities and that this amounted to 30 percent of the total national revenue and was Yen 36,000,000 more than the total taxation receipts of the country. He stated that if there is no improvement in national revenues the foundation of national economy and defense would be endangered. Since the appointment of Admiral Okada as Premier and the continuance in office of the War, Navy and Foreign Ministers who served in the preceding government indicates there is to be no change in policy, it means that Japan is facing a crisis, but it is not the "international" crisis which the war-lords refer to in their propaganda. It's a purely domestic crisis concerned with a bankrupt treasury, increasing poverty of the peasantry, growing revolutionary movements combined with increased repressive measures involving wholesale arrests of students, teachers and labor-union members and executives accused of harboring "dangerous thoughts."

Recent reports from America and Europe and even from Russia indicated that many persons in high places had hoped for the coming of a more liberal government and a policy of sanity in international affairs. But there is to be no

change, and as conditions grow more critical in Japan, the likelihood of the military clique embarking on more foreign adventures will be greatly increased. The appointment of Admiral Okada as Premier means the further strengthening of the military clique which has dominated Japanese affairs since 1931 and this signifies increased tension in the Far East and a further aggravation of the complications between China and Japan. As one of the Russian papers put it, "We may at any moment expect new surprises caused by the 'continental' policy of the Tokyo war-lords."

The liberal *Japan Chronicle*, in commenting on the new Government regarded it as something new in politics that the Foreign Minister should be linked-up with the Defence Ministries, as indicated in the fact that Koki Hirota was carried over into the new Cabinet along with War Minister Hayashi and Navy Minister Ohsumi. However, it is not news to close observers of the Japanese situation that the Foreign Ministry in present day Japan is little more than a mouthpiece for the military clique. Due to his close affiliation with the reactionary Black Dragon Society, Hirota could not be otherwise than a tool of the military. The fact that the Seiyukai, major party in the Diet, has withdrawn its support from the new government and that the first news of Okada's selection caused a slump on the Osaka stock exchange, indicates the lack of confidence which prevails with respect to the new regime. Later reports from the United States also indicate increased apprehension regarding the drift of affairs in Japan. One report from Washington in the *Osaka Mainichi* stated that chief interest centered in Japan's financial future, in the event the Okada Ministry authorizes additional military and naval expenditures in view of the prevailing and widespread agricultural distress. American comment generally expressed disappointment and apprehension since Japan's naval demands are certain to render the forthcoming disarmament conference abortive.

Chinese Not to Attend Pan-Pacific Buddhist Conference in Tokyo

A so-called Pan-Pacific Buddhist Conference is to be held in Tokyo from July 17 to 25. The Chinese have forbidden any Chinese Buddhists to attend. The Maha Bodhi Society (from Ceylon) delegates, consisting of three men and three women, passed through Shanghai during the week on a Japanese ship to attend the Conference. The Ceylon delegation is carrying two resolutions, which it will bring before the conference in Tokyo, namely: that the Buddhagaya Temple, reputed to be the most holy spot in the world, should be restored to Buddhism, and, that the proposed International Buddhist University at Sarnath in memory of the late Sri Devamitta Dharmapala, the founder of the Maha Bodhi Society, should be given the whole-hearted support of the conference. The temple in question is situated about seven miles from the city of Gaya, India, and is now in the hands of a Hindu Saivite Mahant.

Filipinos Speed Up Independence Program

Preliminary steps toward creation of the "Philippine Republic" were taken July 10 when 202 delegates to the constitutional convention were elected. The convention, which is to draft the Constitution for the "Commonwealth of the Philippines" has been convoked by Governor-General Frank Murphy to meet at Manila on July 30. Although the Tydings-McDuffie Independence Act provided that the convention should meet "not later than October 1, 1934," Filipino independence leaders decided to speed up the program.

Japanese Renew Armed Activities Following Bombing Incident; Canton Building Up Air Force

High Lights in the Events of the Week:

1. Marked decrease of passengers on P.M.R. through trains.
2. Japanese resume armed activities in North China.
3. General Chiang Kai-shek returns to Kiangsi.
4. General offensive on "Reds" to be staged this month.
5. Canton orders 200 fighting planes for air defence.
6. Sinkiang chief predicts early suppression of Rebels.
7. Peiping educators paying flying visit to Oberlin-in-China.
8. 8th Anniversary of Northern Punitive Expedition observed in Nanking.
9. Executive Yuan Ministers reported resigning en bloc

Japanese troops along the Great Wall have resumed their activities following the bombing incident near Tangku on July 1. Those stationed at various Great Wall passes have again started to search passengers crossing the passes to Manchuria. Several heavy guns have been placed in position at the Hsifengkou Pass as a precaution against possible emergencies. The Japanese airfield at Malangyu is now crowded with aeroplanes. Formerly twenty-nine aeroplanes were stationed at Malangyu and now the number has been increased to 35. These planes are making daily reconnoitering flights over the former war area.



The Men That Made the Agreement for the Resumption of Through Traffic on P. M. R. Possible: (L to R) Yin Tung, Chief of the Peiping-Shanhaikuan Railway Bureau, Huang Fu, Head of the Peiping Political Council; Chief Usumi of the Mukden-Shanhaikuan Railway Bureau and the S.M.R. Representative; and Major-General Okamura, Vice-Chief of Staff of Kwantung Army.

The *Chekiai Agency* reports from Peiping that Japan is intensifying military preparations for her anticipated war with Soviet Russia. During the past few months, considerable Japanese troop movements were witnessed in North Manchuria. At present, there are at least six full Divisions massed on the Manchurian borders. Jehol and the principal Great Wall Passes are now being garrisoned by the 7th Japanese Division. The Japanese troops previously stationed at the Chiumengkow, Yiyuankow and Channingkow Passes have been transferred to western Jehol. Their movements in that direction indicate clearly that they are planning to renew aggression on Charhar and to occupy the Kalgan-Urga Highway.

According to a report in the *Japanese military Bulletin* on July 7, the number of passengers on the through trains between Peiping and Mukden has been considerably decreased as a result of the bombing of the first through train July 1. The principal reasons for this falling off in the number of passengers are believed to be as follows. 1. More similar incidents are expected in the future owing to inadequate police protection 2. Passengers do not like to have their luggage and personal effects examined several times 3. Those people who are engaged in smuggling also do not like to have their luggage examined. 4. There are many other trains running especially between Peiping and Tientsin every day 5. People who are going to Mukden from Peiping take other trains as far as Shanhaikuan, where they change trains. On July 5, only 56 third class tickets were sold.

In a statement to the press July 2, Yin Tung, managing director of the Peiping-Mukden Railway, flayed the authors of the outrage. He pointed out that the resumption of through traffic had been actuated solely in consideration of the welfare of the Chinese in the Northeast and for the purpose of direct

communication between Europe and Asia. Instead of expressing their disapproval through the proper channels, the authors of the bombing chose to murder peaceable fellow citizens anxious to return to their homes by the first through train. Had the explosion occurred in the first and second class, Mr. Yin declared, the consequences would have been too dreadful to contemplate, there being many foreigners and Japanese on the train. Mr. Yin expressed the conviction that the guilty would be brought to justice and severely punished for their wanton disregard of humanity.

According to the *Japan Chronicle*, the Japanese military authorities regard the train explosion incident in a serious light. They are inclined to believe that the authors of the dastardly work were members of the Blue Shirts who are hostile to the North China Administration. There are certain elements in the Nanking Government who are so strongly antagonistic to Japan that they are ready to leave no stone unturned in order to cause estrangement between Japan and China. When they saw that the settlement of the through traffic problem has had very favourable effects on the sentiment of the Chinese in North China towards Manchukuo and Japan, they probably conceived the plot to wreck the train with the double object of impairing the position of Huang Fu, and involving the pro-Japanese elements of the Nanking Government in trouble. Altogether, the Japanese military authorities contend that it is very hazardous to overestimate the reported improvement of the Chinese sentiment towards Japan.

A minor incident occurred along the Peiping-Mukden railway morning July 6 when a passenger train was stoned while passing Hanku east of Tangku on its way to Mukden. Several windows were broken but no one was injured. As a result of the recent resumption of railway traffic between Peiping and Mukden, import tariff on Japanese and Manchurian goods into China is now being collected by a number of tax-collection stations outside the Wall. Meantime, "Manchukuo" tax stations started to collect export tariff in addition to import levies on Chinese goods going into Manchuria.

Two suspicious persons were seen removing rails from the Peiping-Mukden Railway near Leichuang south of Shanhaikuan night July 2. Their presence was detected by the police who dashed to the scene to arrest the two. One of the men opened fire, injuring one policeman and then disappearing into the darkness. The authorities are now making investigations into the case.

Strict precautionary measures have been taken by the Chinese railway authorities for the prevention of outrages on the Peiping-Mukden line. Strong police guards have been despatched to protect bridge-heads and crossings and armoured trains will escort every express. The Japanese authorities have likewise taken precautionary measures in the section outside the Great Wall, all trains being preceded by an armoured train armed with machine guns. All passengers, particularly young men from inside the Great Wall, are being searched, and luggage may only be carried in baggage cars.

In view of the peaceful situation in the daily running of the Peiping-Mukden through train, the Japanese army authorities in North-China have decided to withdraw the Japanese guards on these through trains as from July 8, according to a *Rengo* report July 7.

However, according to a *Reuter* report from Peiping, it is generally believed that the Japanese guards on the through trains will not be withdrawn. This belief is strengthened by the fact that the Japanese guards on this morning's (July 8) outgoing and incoming through trains, carried not only rifles but also light machine guns. Interviewed, a Japanese officer intimated the inability of the Japanese authorities to comply with the request of Ying Tung to withdraw the guards

from the through trains. The first Mukden-bound through express carried seven Japanese guards. After the bombing incident at Chating Station July 1, this number was increased to nine. Since July 7, the number has again been increased, bringing the total to 11.

Arrangements have been made between the Chinese and Japanese authorities for the transfer of the Malangyu Pass to Chinese control on July 18. It is believed that the transfer will be only nominal as Manchukuo will continue to maintain troops there for the protection of the Imperial Mausoleums.

General Sung Cheh-yuan, chairman of Charhar and the heroic defender of Hsifengkow, refused to take the through Peiping-Mukden train to Tientsin July 4, when he intended to proceed to the latter city. He is quoted as having declared that, as a military commander of China, he will never let the Japanese guards search him.

The *North China Daily News* on July 8 reported that the Governor of Hopei Province, Gen. Yu Hsueh-chung has telegraphed his resignation to Nanking. It is understood that the reason for his resignation is that financial and other situations in the province have gone beyond his power to control them. It is believed that, until the question of his resignation is decided, Huang Fu will not return to Peiping, especially as it is believed that the latter is anxious that Gen. Chang Chun shall replace the present governor. Should Gen. Yu's resignation be accepted it will mean that Gen. Chiang Kai-shek and the Nanking Government's authority will be further strengthened and that the policy of Sino-Japanese co-operation in the north will be extended, as Gen. Yu is a remnant of the old regime.

Ying Tung arrived at Nanking from Peiping July 11. He submitted a personal report to Minister of Railways Ku Meng-yu and President of Executive Yuan Wang Ching-wei on the bombing incident of the first through train on Peiping-Liaoning Line afternoon of July 1. He will shortly proceed to Hangchow to interview General Huang Fu and urge him to return to North China. Mr. Ying has not announced his intention to withdraw his resignation from his post.

Press reports that postal facilities with "Manchukuo" have been secretly restored are denied by the Peiping Postal authorities. The postal situation remains the same today as it was prior to the resumption of the through traffic service between Peiping and Shenyang; the postal blockade against "Manchukuo" is being enforced as usual.

According to information from communications circles, the Chinese authorities will start negotiations with the Japanese for the resumption of postal relations between China and Manchuria. It is said that after the suspension of postal relations with Manchuria China suffered a loss of not less than \$80,000,000. Before the Manchuria Affair China received an annual remittance of between \$50,000,000 to \$60,000,000 from Chinese merchants and workers in Manchuria. But after the suspension of postal relations this remittance was suspended, thereby seriously affecting economic conditions inside the Great Wall. It is said that in the coming negotiations the questions of money orders, express and registered letters and parcel post will be first brought up for discussion and decision. If a satisfactory arrangement can be found for these issues the rest will be easy.

The Government is now taking steps for the liquidation of foreign loans, it is learned from financial sources. According to estimates, the amount of unsecured foreign loans totals \$1,000,000,000, of which 35 per cent comprise Japanese loans. It is reported that the Japanese creditors will shortly form an organization to present a joint demand for the liquidation of their share.

According to a report in the *North China Daily News*, a strong boycott movement against the Japanese is now in force in Yunnanfu. The Japanese going into Yunnanfu are unable to obtain servants. The shops there are intimidated into refusing to sell them anything. And there is an organized movement to prevent their renting houses to live in. This report was contained in a dispatch from the lately returned Japanese vice-Consul to Yunnanfu, Toneki, who went there, accompanied by four Japanese families. Those with him consisted of the families of two Japanese merchants, a doctor and a barber. Immediately upon their arrival, the Yunnan Anti-Japanese Committee took measures

to revive and intensify the boycott against them. As a result, the Japanese were neither able to obtain Chinese servants nor to buy things from Chinese shops nor rent houses from Chinese landlords there.

General Chiang Kai-shek Returns to Kiangsi Front

General Chiang Kai-shek, President of the Military Affairs Commission, who returned to Nanking from Fenghua July 5, left Nanking for Kiangsi on the 8th. He arrived at Kiukiang on the 9th and reached Kuling on the morning of the following day, when he presided at the opening ceremony of Military Officers' Summer Training Class. On the same day, he also called on Lin Sen, Chairman of the National Government, who is spending the Summer at the Kiangsi mountain resort. After remaining in Kuling for a few days, the Generalissimo will proceed to Nanchang to resume personal direction of the Communist-suppression campaign.

Prior to his departure from Nanking, General Chiang had a brief talk with Wang Ching-wei, President of the Executive Yuan, and then received a number of military and civil officials. He had luncheon with the Panchan Lama at noon, discussing Tibetan affairs. Among those present were Tai Chi-tao, President of the Examination Yuan, and Shih Ching-yang, Chairman of the Mongolian and Tibetan Affairs Commission.

General Ho Chien, Chairman of Hunan and concurrently Commander-in-Chief of the Western Route Bandit-suppression Forces, departed from Nanking for Kiukiang on the 9th. He reached the latter place on the following day. After a further conference with General Chiang at Kuling, he will return to Changsha, provincial capital of Hunan.

It is understood that General Chiang has decided to call a nationwide military conference at Kuling by the middle of this month for the discussion of measures for the extermination of the Red menace and for closer co-operation between the Central Government and the provinces. The conference will be attended by military commanders from all the provinces, including those in the Southwest. When the conference closes, a date will be fixed for a simultaneous attack on the Red strongholds in Kiangsi and Fukien. General Chiang is very optimistic regarding the outcome.

Preparations for a combined offensive on the Communists in Central China by the various Route Government Armies having been perfected, General Chiang Kai-shek has decided to assume command of the campaign in person. As a result of the visit to General Ho Chien to Canton, the Southern Route Bandit-suppression forces under command of General Chen Chi-tang have also completed plans to join in the general offensive which is scheduled to be started middle of this month. Hard pressed by the Government troops from different directions, the "Reds" at Yutu, Kweichang, Kulungkang, Ningtu and Juikin, southern Kiangsi, and Ninghua, western Fukien, facing a shortage of daily necessities, have erected strong defence works at Juikin and Kulungkang in an attempt to offer a last stand against the Government assaults. The "Reds" in eastern Kiangsi have also suffered repeated reverses at the hands of the Government troops. Of the three bandit lairs in that area, Hengfeng and Tzuki have been occupied.

The vanguards of the Government troops in Kiangsi have reached a point thirty miles from Juikin, the Communist capital. The "Soviet Government" at Juikin has been removed to Ninghua and the Red leaders have marked out Juikin as fortified zone and are building fortifications around that city. Chu Teh, the "Red" commander-in-chief, has decided to make a desperate stand at Juikin against the oncoming Government forces.

Reports have been received to the effect that the "Reds" in Kiangsi have made counterfeit silver dollars for the purchase of daily necessities as well as salt. To counteract this, the Provisional Headquarters of the President of the Military Affairs Commission has issued a circular order to tighten the economic blockade. Extra precautionary measures have been taken to prevent the circulation of the spurious dollars.

The Communists in northern Szechuen are still holding Wanyuan in Northern Szechuen. Recently they made several attempts to counter-attack Tungkiang but they were beaten

back by the Szechuen provincial forces. The Reds have now made Wanyuan the base of their activities and they have a strong force stationed at Maohaichen to check the advance of the provincial forces from the flank.

For revival of the economic prosperity of Central China, the Commander-in-Chief's Headquarters of the Bandit-suppression Forces for the provinces of Honan, Hupeh and Anhwei, has decided to organize an Economic Research Institute with W. H. Donald, Adviser to General Chang Hsueh-liang, in charge. An order has been issued to the Hupeh Provincial Government by the Commander-in-Chief's Headquarters instructing that every assistance be given to the Institute in investigating economic conditions of the various districts.

Decisive fighting is raging between the Szechuen Bandit-suppression Forces and the "Reds" under Hsu Hsiang-chien and Chang Kuo-tao in the vicinity of Wanyuan. The "Reds" have rushed all their available forces to the front to stem the advance of the Szechuen troops on Wanyuan city, the capture of which would mean the total collapse of the "Reds" in the province and cutting off their communications.

The remnant "Red" outlaws under Hsiao Ko and Tsai Hui-wen are concentrating at Kinhua Shan (mountain), in western Kiangsi. Three Hunan divisions have been despatched by order of General Ho Chien to suppress the marauders in conjunction with the air force.

A later message states that Kinhwa Shan (mountain) has been occupied by the 16th Hunan Division. Upon receipt of the news, General Chiang Kai-shek issued an order to Lieut.-General Peng highly commending him on his meritorious services.

Lo Ping-huei, Commander of the Communist forces in Fukien, is reported to have been executed by the Red Headquarters at Juikin. Lo has been suspected for his so-called "right" inclinations and the execution took place at the Soviet "capital." The execution has caused a split in the ranks of the Communist Party as Lo has also a large number of followers.

The 10th Column under General Tang En-po in Fukien is besieging the city of Ninghwa, "Red" stronghold in western Fukien. The 88th Government Division has reached the environs of the city which is expected to be recaptured in a few days.

Canton Orders 200 Fighting Planes for Air Defence

Router on June 7 reports that the Canton Air Mission to Europe headed by General Wang Kwang-jui, Commander-in-Chief of the Canton Air Fleet, is hurrying back owing to the fact that the Canton Authorities have decided to embark immediately on a big program for the expansion of the Canton Air Force. A scheme involving expenditure of \$10,000,000 to purchase 200 fighting airplanes from leading British, American and German aviation factories is believed to be the chief reason which prompted the visit abroad of General Wang Kwang-jui. The Kwangtung Authorities are contemplating increasing the number of Army airplanes from 180 to 380 machines within the next three years, having assigned \$4,000,000 from the Kwangtung Defense Fund to pay for the first few consignments of planes ordered. Fifty machines are expected to arrive from Germany some time during the next two months. New squadrons will be created after this reinforcement to the air force.

Liang Chih-huai, representative of General Chen Chitang, is now in Hongkong to sign a contract with a certain German firm for the purchase of war materials for the Kwangtung Army. The purchase includes a large number of heavy guns, machine guns and rifle ammunition, according to the *Chao Jan Pao*, Hongkong, on July 5.

According to information from military sources in Canton in compliance with a joint petition of the Kwangtung and Kwangsi military leaders, the Central Government has consented to appropriate a sum of \$5,000,000 to the two provinces for the purpose of strengthening the South China National defence. The appropriation will be made in five installments at \$1,000,000 each.

As a result of the recent conferences in Canton among the military commanders in Kwangtung, Kwangsi and Hunan, it has been decided that an organ known as the South China National Defence Commission will be created at Canton.

The Commission will have representatives from Kwangtung, Kwangsi, Hunan, Kweichow and Fukien and shall be placed under the supervision of the Central Government. The highest military leaders in each province are to serve as executive members of the Commission. For the purpose of facilitating communications between Kwangtung and Kwangsi, General Li Tsung-jen is proposing that a railway should be built between Hohsien in eastern Kwangsi and Samshui in western Kwangtung. The distance will be only ninety miles but its construction will greatly facilitate transportation between the two provinces. An order has been issued by the Kwangtung Provincial Government to the various District Governments and subordinate organs regarding warrants for the arrest of 300 participants in the Fukien rebellion last winter. Among those on the list are Hsu Chien, Ho Lung-kan, Admiral Sa Chen-pin and Euyang Yu-chien.

Interviewed at Hongkong July 5 Dr. Wang Chung-hui, Judge of the Permanent Court at the Hague said that China's salvation from her present grave crisis must come from within. She must neither rely on the League of Nations nor on a possible war between Soviet Russia and Japan or between the United States and Japan to check the Nipponese aggressions on the Asiatic Mainland. Dr. Wang pointed out that the various Powers in Europe and America are too much preoccupied with their own affairs and none of them is in a position to take an interest in the affairs of others. To preserve her national existence, China can have none to rely on but herself. Dr. Wang added that he is breaking his journey at Hongkong. After calling on Mr. Hu Han-min there, he will pay a brief visit to Canton and possibly also his native town in Kwangtung before proceeding to Nanking.

Tang Shao-yi, the well-known Kuomintang statesman, has been impeached by the people of the Chungshan Model District, of which he is the Magistrate. The people have submitted a joint petition to the South-west Political Council demanding his dismissal and outlining his twelve "crimes" during his tenure of office as administrator of that district.

General Huang Shao-hsiang, Minister Interior, arrived at Hongkong from Wuchow, Kwangsi, July 8. It is understood that General Pai Chung-hsi, who is now in Canton, will come to Hongkong shortly to confer with Hu Han-min and General Huang.

Over 100 villagers were killed, 40 women were kidnapped, many were seriously wounded and several hundred houses were burned July 8 in the Taipu district in Kuangtung, as the result of a raid by the village militia stationed in Tungting, on the Fukien border. Merchants in Taipu telegraphed Canton authorities for assistance, declaring that the raiders had indulged in an orgy of looting and killing, after which they returned to Yungting.

Sinkiang Chief Predicts Early Suppression of Rebels

The rebels in south Sinkiang under the leadership of General Ma Chun-ying will be exterminated by the government forces in two months' time, Peng Chao-hsien, civil governor of Sinkiang, predicted in an optimistic interview with newspaper correspondents at Nanking July 9. Mr. Peng stated that he had gone to Sinkiang as a special investigator with the hope of returning to Nanking within two months. The renewal of civil war there, however, prevented this and he had to remain in that province for nine months.

The Sinkiang provincial government, according to Mr. Peng, has under its control about 50,000 troops. Its forces recently entered southern Sinkiang and the so-called independent government there was voluntarily dissolved. General Ma Chung-ying still has about 1,000 troops who escaped towards south Sinkiang after their disastrous defeat near Tihua. Mr. Peng expects that Ma's forces will be completely exterminated within two months. Mr. Peng said that the world-famous scientist, Sven Hedin, was kidnapped by troops under General Ma in south Sinkiang, but was released later, and is believed to be safe and well at Akosu.

According to a *Tass* message from Moscow, July 10, the Mongolian National Republic is preparing for the celebration of her tenth anniversary. On day said all Ministries and other offices of the Government are suspending their work for ten days. Traditional military sports tournament, "Nadam," is opening in Ulan-Bator (Urga) on July 12, while

provincial "Nadams" will be held throughout the republic. The celebrations in the capital will be held at a large square outside Ulan-Bator, where many tents and booths and an open stage for theatrical performances have been created. Guests are already arriving from provinces to take part in the festival, camping in felt tents around the town. The Soviet delegation headed Krankan has left Verkhudinsk July 10 for Ulan-Bator. Members of the Mongolian Government are meeting on the USSR-Mongolian frontier, while the Chairman of the Festival Organisation Committee will meet them half-way.

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According to *Rengo* report from Simla, June 27, the recent Sino-Burma frontier incident, with skirmishes between Chinese bands and Burma police, was apparently caused by a local chief of Pangjung penetrating (1) into the undemarcated zone called Hohswan, up to the present mutually respected by the Chinese and British; and (2) into undisputed British territory westwards of the agreed frontier, where his force came into collision with a British party exploring for minerals under the protection of Burma police. There were no casualties among the police, but several Chinese were wounded. The Pangjung chief is now established at Manchu, Hohswan, and additional police have been despatched to protect the alleged British territory. Rains have stopped further fighting.

For the promotion of culture in the frontier province of Chinghai (Kokonor), the Provincial Government is making plans to establish a library at Hsining, Capital of the province. A consignment of more than 40,000 books, contributed by Tai Chi-tao, President of the Examination Yuan, is being transported to Hsining for the new library. Soldier labour will be employed for the construction of a new library building.

General Chu Shao-liang, Chairman of Kansu and concurrently Director of the Lanchow Pacification Headquarters, returned to Lanchow from Nanking on board a Eurasia plane at 9 a.m. July 5. He was welcomed at the aerodrome by the ranking officials.

The Panchen Lama is leaving for Peiping on July 13 on way to Chinghai (Kokonor) to preach Buddhism. The Anchin "Living Buddha," the Panchen Lama's secretary, will shortly return to Lhasa to make preliminary preparations for the return of the Panchen Lama.

General Huang Mu-sung, Special Commissioner to Tibet, reports that he left Kantzu (northern Hsikang) on June 20 en route to Lhasa, capital of Tibet, via Changtu (Chamdo), where he expects to arrive in the early part of this month.

Peiping Educators Paying Flying Visit to Oberlin-in-China

Headed by Dr. Chiang Mon-ling, President of the National Peking University, a party of sixteen Chinese educational and social leaders arrived at Taiko, Shansi from Peiping afternoon July 3 upon the invitation of Dr. H. H. Kung, Minister of Finance, to visit the Oberlin-in-China, of which Dr. Kung is founder and honorary president. The party consisting of Dr. Chiang, Dr. Mei Yichi, President of the National Tsinghua University; Mr. Jen Hung-chun, Director of the China Foundation for the Promotion of Education and Culture; Y. T. Tsur, General Secretary of the International Famine Relief Commission and Dr. Kuangson Young, formerly Chinese Consul-General at London and others, travelled to Taiyuan by air aboard the gigantic "Condor." After landing at Taiyuan at 10.45 a.m., they reached Taiko by motor car in the afternoon. They inspected the work of the Taiko School and returned to Peiping on the 6th.

According to a Taiyuan message on July 10, Dr. H. H. Kung, Minister of Finance, left there for Sian, provincial capital of Shensi, July 11, travelling by air on board the "Condor." Weather permitting, he will fly to Kaifeng, capital of Honan, on the following day and after remaining there for one or two days conferring with the Honan authorities and inspecting financial conditions there, will continue his journey to Nanking. He is due to arrive at the Capital on the 14th. Dr. Kung and party arrived at Taiyuan from Taiko afternoon of July 8 by motor car. On the following day, the Finance Minister called on General Yen

Hsi-shan, Director of the Taiyuan Pacification Headquarters, at Hopeintsun and discussed with him on the financial situation in Shansi. In the evening of the same day, he was the guest of honor at a joint reception given by the Shansi Federation of Chambers of Commerce, the Taiyuan Chamber of Commerce, and a group of Shansi leaders, including Chao Tai-wen, Kung Fan-yuen, Chu Shou-kwang and Chia Ching-teh.

General Sung Che-yuan, Chairman of Charhar and concurrently Commander of the 29th Army, in a telegram to Nanking, reports that the Japanese are making feverish preparations for their invasion of Charhar, in view of the imminent outbreak of war with Soviet Russia. The situation in Charhar is tense owing to the arrival of large numbers of Japanese soldiers at Suichung, western Liaoning, and Chihfeng, central Jehol, who constitute a fresh menace to Charhar.

For the relief of war refugees from Manchuria the Government has agreed to appropriate \$100,000. The money will be placed at the disposal of the Peiping Political Readjustment Commission.

General Ho Ying-chin, Chairman of the Peiping Branch of the Military Affairs Commission, has agreed to assume his concurrent post as Chief Directing Commissioner for Local Autonomy in Inner Mongolia.

The Kalgan-Urga Communication Office has been recently established at Pingtichuan in Suiyuan Province with the Soviet Consul at Kalgan and officials of the Suiyuan and Chakhar Provincial Governments as committee members according to a *Rengo* report.

Under the supervision of the newly established office, the construction work of a motorcar road between Kalgan and Urga has been already started. In order to give assistance for the accomplishment of this work the National Government of China has instructed the Suiyuan and Chakhar Provincial Governments to give full protection to Soviet citizens who travel between Kalgan and Urga and also to accord same treatment and position to Chinese working with Soviet officials. It is reported that 80 big-type motorcars are used in the road construction under the protection of four armored-cars. With the opening of this big-scale motorcar road, the following subsidiary plans have been decided upon:

1. Motorcar stations to be constructed at several places between Pingtichuan and Ude. A wireless station of 500-kilowatt, will be established at each place.
2. A wireless station to be established at Wulanhata, Mingan and Ilinholosu.
3. Over 10 wireless sets to be installed at Ude, the center of traffic and communications between the U.S.S.R. and China.
4. Motorcar roads to be constructed between Wulanhata and the provincial border of Suiyuan and Chakhar, between Mingan and Sunito.

Measures for the disbandment of superfluous officers and soldiers of the Shansi and Suiyuan troops have been decided upon at a meeting of ranking commanders at the Taiyuan Pacification Headquarters. 1,280 officers and 20,000 soldiers of the infantry, cavalry and artillery units of the Shansi and Suiyuan troops will be disbanded before the 20th inst. About \$200,000 will be saved monthly after the disbandment.

Two more suspects, Wang Teh and Yang Wen-tze, have been arrested in connection with the murder of Dr. J. H. Ingram, of the American Board Mission, in the Western Hills recently, and will be sent to Peiping for trial.

Executive Yuan Ministers reported resigning en bloc

According to a report in the *North China Daily News* on July 12, following complaints that there had been attempts to intimidate members of the Control Yuan who were bringing an impeachment against Ku Men-yu, Minister of Railways, for alleged irregularities in connection with a loan for \$10,000,000 for the Chengting-Taiyuan Railway, the whole of the cabinet in Nanking submitted their resignations on July 11. With Chairman Lin Sen of the National Government and three of the Ministers away from the Capital, the resignation is regarded as simply a political gesture. It was not expected that it would be accepted. The paper learns from authoritative sources that a slur cast on the integrity of one member of the Cabinet, Ku Meng-yu,

known to be adherent of President Wang Ching-wei, is regarded as a serious reflection on the whole of the Cabinet and especially upon its leader. The resignation was submitted, therefore, more in the nature of a test of confidence than as a result of differences over any major political or national issues. The resignation was technically submitted to the Central Political Council, but that body did not even consider it.

According to a *Reuter* report from Nanking on July 11. The rumour that the National government had resigned en bloc was officially denied on said day. The Central Political Council at its meeting in the morning decided that hereafter all texts of impeachments and rebuttals would not be allowed to be released to the press without the permission of the government. All documents affecting the national policy and China's international position also will not be allowed to be published without the permission of the Central Political Council.

Strong disapproval of the counterstatement issued by Ku Meng-yu, Minister of Railways, in refutation of the charges of violation of law and corruption preferred against him by the Control Yuan is expressed by the Yuan authorities. The Yuan is taking a serious view of the various uncomplimentary remarks contained in Ku's reply. In order that the facts of the case may be made known to the public, a fresh statement will be issued by the Yuan to uphold its charges against Minister Ku. The Yuan is said to be determined to allow no official, who has been impeached, to sabotage the Government's system of impeachment.

In connection with the impeachment, it is reported that the Legislative Yuan has appointed Wang Chi to conduct a thorough investigation into the case and submit his findings to the Yuan.

8 Anniversary of Northern Punitive Expedition Observed at Nanking

The 8th anniversary of the launching of the Northern Punitive Expedition was commemorated at Nanking July 9 at a memorial service held under the joint auspices of the National Government and Central Party Headquarters. President Wang Ching-wei presided and delivered the memorial address to an audience of over 600 Party and Government officials. Recalling the repeated successes of the Nationalist forces in the 12 months from July 9, 1926 to July 1, 1927 which culminated in the complete destruction of the opposition forces and the establishment of the National Government at Nanking, President Wang said that July 9 will ever be remembered as an auspicious day both for the Party and the State. Through a schism unfortunately occurred between Nanking and Wu-Han in April 1927, he said that the disagreement did not result in open warfare, and was soon patched up after the Party Purgation Movement.

The success of the Northern Punitive Expedition, President Wang continued, must be attributed to the able leadership of General Chiang Kai-shek, then Commander-in-Chief of the Expeditionary Forces, and the energetic efforts of the rank and file of the Nationalist Army and of the Kuomintang, as well as the ardent support of the people in general.

The question is sometimes asked: Why is the country faced with an acute national emergency, now that the work of national unification has already been effected? It must be remembered, however, President Wang said, that the National emergency did not begin on September 18, 1931. On that day, the emergency only became more aggravated. The aim of the late Party Leader, Dr. Sun Yat-sen, in bringing about the National Revolution was to secure for China a position of freedom and equality in the family of nations.

The conclusion of the Northern Punitive Expedition merely removed some outstanding obstacles in the way of the National Revolution, which included the overthrow of the Manchu regime, the elimination of Yuan Shih-kai, and defeat of the various war-lords. For the completion of the National Revolution, every individual citizen must sacrifice his personal freedom for the promotion of the commonweal.

Ever since she entered into one-sided treaties with foreign Powers, President Wang continued, China has been in the throes of a national crisis. In order to solve the national emergency, the nation has embarked on a program of National Revolution. The present emergency however

must not be regarded as a consequence of the Revolution, he pointed out.

The national emergency will be solved, he said, when national independence and international equality for China are secured. This however cannot be achieved unless and until our national strength—both politically, militarily, economically and culturally—is on an equal footing with that of the leading foreign Powers.

Laborious as our task may seem, it is not impossible of achievement. When the Nationalist Army set out on July 9, 1926, on the Northern Punitive Expedition, President Wang recalled, it was very insignificant numerically. Due to its tenacious self-confidence, and the hearty cooperation among its ranks, it succeeded in unifying the country. With similar determination and in a like spirit of co-operation, therefore, the nation may also attain the status of equality for China in the family of nations, which is the aim of the National Revolution, President Wang concluded.

The first official draft of the permanent Constitution for the Republic of China was released today by the Legislative Yuan. Prefaced by a preamble, the new national instrument consists of 12 Chapters and 188 Articles. Chapter I deals with general principles, defining China as a Republic composed of five racial groups. Chapter II regulates the rights and duties of the people, while Chapter III, the composition and function of the National People's Congress. The fourth Chapter provides for the organization of the National Government under the President and the five Yuns, the Executive Yuan, Legislative Yuan, Judicial Yuan, Control Yuan and Examination Yuan. The fifth Chapter deals with the Provincial Government, the sixth, District Government, and seventh, Municipal Government. The eighth and ninth Chapters are devoted to National economics and education respectively, while the 10th and 11th deal with national finance and military affairs. The 12th and last Chapter is an appendix.

It is reported that the monthly appropriation for the Executive Yuan will be increased by an additional sum of \$8,000 from the fiscal year of 1934, the present appropriation of \$75,000 per month being considered inadequate to meet its manifold expenses. The increase has been sanctioned by the National Government.

General Liu Chen-hua, Chairman of the Anhwei Provincial Government, has telegraphed to the Executive Yuan tendering resignation from his civil post. He has recommended the appointment of Wang Yin-chuan, member of the said Provincial Government Committee, as his successor.

General Hsu Yung-chang, Chairman of Shansi and Gen. Yang Ai-yuan, Commander of the 34th Army (Shansi), called on President Wang Ching-wei July 9 and reported on the political and military conditions in Shansi province. They left Nanking July 10 for Kiangsi to interview General Chiang Kai-shek, President of the Military Affairs Commission.

Dr. Wellington Koo, Chinese Minister to France, arrived at Nanking July 11 to report to the Government on his work in Europe. After remaining in Nanking for a few days, he will proceed to Kiangsi to interview General Chiang Kai-shek.

General Chin Shu-jen, formerly Chairman of the Sinking Provincial Government,—who is under trial for grave charges,—has completely recovered from his recent illness. The date for his return to the Detention House of the Nanking District Court has not yet been announced.

The Kiangsu Provincial Government has decided to institute the *Pao-Chia* (mutual guarantee) system in Kiangpei (north of the Yangtze) immediately. Fourteen districts have been specially selected as experimental districts, to each of which a special director will be sent.

Measures for commemoration on August 27 of the birthday anniversary of Confucius (551-479 B.C.), China's great sage, were approved at the meeting of the Standing Committee of the Kuomintang Central Executive Committee held July 5 under the chairmanship of Chen Kuo-fu.

Marshal Tuan Chi-jui, former Chief Executive of China, left Shanghai for Kuling, Kiangsi July 5 to spend the summer season. He will return to Shanghai after three months.

Huge Decline in Bean Export from Manchuria

Figures collected for the *North China Daily News* by F. H. Bert, a resident of Harbin, show the enormous decline in recent years in the export from Manchuria of bean cakes and bean oil. Bean cakes declined from 2,082,000 tons in 1927 to 1,076,000 tons in 1933. Bean oil exports dropped in the same period from 188,000 tons to 79,000 tons. In former years the Chinese Eastern Railway assisted the oil mill industry in every way and the industry is indebted to the railway authorities for its development. However, quite lately the C.E.R. has turned away from its protégé and does not assist in the development of any kind of industry at the present moment.

French Financiers Show Interest in Manchuria

Influential French syndicate banks for investment in the Far East, including the Banque Franco-Indo-Chine and the Banque Paris et des Pays-Bas, are reported by Japanese correspondents as endeavoring to withdraw their investments in China in view of the recent political uncertainty in this country and, impressed by the progress made by political and economic constructive work in Manchukuo, they may make a sharp movement from China to Manchukuo. Meanwhile, it is reported that Paul-Boncour, celebrated statesman, who is connected with the French syndicate banks, and is president of the Banque Franco-Indo-Chine, will come to Manchuria to make arrangements with the government authorities concerned for further promotion of French investments in Manchuria.

A petroleum price war in Manchuria is threatened as the result of the Soviet Petroleum Trust refusing to come to an agreement with the American and British companies. The latter are selling a case of petroleum at \$6.60, while the Soviets offer theirs at \$6.20.

Manchukuo will pay Japan \$9,000,000 next year as its share in the joint defense expenses of the two nations, Premier Cheng Hsiao-hsu announced in Hsinking June 27. The amount, included in the \$58,272,031 military affairs department appropriation was approved by the Privy Council with other items of the 1934-35 budget last week.

Imports into the port of Dairen for the first half of the year reached 1,349,837 tons—81,417 ton increase over the total imports for 1932. The proposed extension work of wharf No. 4 at Dairen is to be resumed in the near future. Warehouse No. 8 is expected to be completed in November this year.

A party of six university students from Texas is touring Manchuria for the purpose of inspecting the condition of cotton-growing in said region.

Kwantung Garrison Wants Enterprises in Manchuria "Properly" Controlled

A round table conference of Government and private representatives interested in enterprises in Manchukuo was held at the Tokyo Chamber of Commerce Building under the auspices of the Japan Manchukuo Business Association beginning of this month. Nearly 50 Government officials, Army officers and business men were present. Following an explanation by Mr. Hirai, of the War Office, of the recent Manchukuo announcement defining the scope of enterprises left to private interests to launch and carry on, Manchukuo officials including Mr. Tanaka, chief of the Financial Affairs Section of the Manchukuo Finance Ministry, explained in detail the latest financial situation in Manchukuo. Col. Koike, of the Kwantung Garrison, then discussed the economic policy, emphasizing the need for proper control of enterprises in Manchukuo. He particularly mentioned spinning, sugar, flour, cement, pulp and paper. With no control, he said, there will be an overlapping of capital. Still worse would be their oppression to industries in Japan. In connection with the economic exploitation of Manchukuo, in order to enable Japanese business men to establish companies with yen capital, revision of the Corporations Law is being projected. Mr. Koike thinks that this revision, together with a tariff revision, will take place in August.

Japanese Stated to Be Recruiting White Russians

The Japanese military forces in Manchuria are stated to be busily recruiting White Russian ex-service men with a view to organizing them into a Vanguard Force in case war breaks out with Soviet Russia. Semenoff, the White Russian leader, who is now residing in Dairen, is acting as the Japanese agent. He is understood to have sent emissaries to Shanghai, Peiping, Hankow and Tientsin to enlist the White Russian officers and bring them back to Manchuria. The *Chekiai* agency says Semenoff recently had an interview with the Japanese officials in Changchun, during which arrangements are said to have been made for the organization of the White Russian Vanguard Force under Japanese direction.

Although general reduction of salaries was effected in Manchukuo, as from July 1, Manchukuo salaries still remain higher than salaries in Japan. The Premier of Japan, for example, gets only Yen 6,000 whereas Manchukuo's premier gets \$21,600 (Yen and Manchukuo dollars are practically the same value). The pay of Manchukuo officials is generally about two or three times that of similar officials in Japan.

Japanese to Surrender Extrality in Manchuria Next Year

According to recent reports from Dairen, Japan will give up her extraterritorial rights in Manchukuo by April 1 next year at the latest. The surrender of Japanese administrative authority in the South Manchuria Railway Area to the Government of Manchukuo is also being considered by the Japanese authorities. Manchukuo and Japanese officials have been negotiating over these two major problems for some time, in the hope of unifying Manchukuo's administration over its domain. Inasmuch as the transfer of authority over the S.M.R. area will involve an enormous sum of money and further necessitate far-reaching reorganization of the railway company itself, the question of extrality withdrawal is being disposed of first.

Reports are current in Peiping that part of the puppet Manchukuo troops stationed in western Jehol has mutinied. The Japanese troops immediately were started on the move and truckloads of Japanese soldiers rushed to the scene. Indicating the seriousness of the situation, four Japanese planes were observed departing for Western Jehol from Malanvu July 6 apparently for the purpose of assisting in the operations of the land forces.

Ten Korean Immigrants Massacred by Bandits

Ten Koreans are reported to have been killed when bandits attacked a village three miles east of Hailin, according to word received in Harbin, July 9. It is stated that bandits have been very active during the past few days between Hengtaohotze and Hailin along the Chinese Eastern Railway, burning and destroying three bridges and cutting down telegraph posts and wires in five places. Communications have been disrupted while traffic eastwards from Hengtaohotze has ceased for the time being.

Attacked by bandits about 28 miles east of Imienpo while proceeding west June 22 a Chinese Eastern Railway freight train was wrecked, the driver killed and five others wounded. The attack occurred at night. Spikes from the rail ties had been removed by the bandits and the freighter, which was traveling at a fair speed, ran off the tracks, the locomotive and four of the cars being smashed. At the same time the bandits, who were in ambush nearby on both sides of the track, opened fire on the train crew. Four of the latter were wounded. After thoroughly looting the train, the bandits made their getaway, taking with them as hostages the uninjured members of the train crew.

According to another report, a freight train proceeding east was wrecked the same day at a point between Kazantzeyo and Yabloina, 30 miles east from Imienpo. The wreck, it is stated, occurred when the train ran off the track which had been washed out by heavy rains. The locomotive and nine wagons were completely smashed.

The bandits recently repulsed by Japan-Manchukuo police from Hsingching, in the Tungpien district, have been rejoined by other groups of outlaws and have resumed their attacks on the rural center. The bandits end of last month had reached a spot less than four miles from Hsingching, where the population includes 30 Japanese and more than 1,500 Koreans.

First Class Private Yoshichika Wada was killed and four other soldiers of the Tanaka detachment were severely wounded in a clash with a troop of bandits numbering about 500 at Peiangchen, northwest of Chingpo, June 27. The bandits were dispersed after suffering heavy losses.

Konichi Nakaoka, who assassinated the Japanese Premier, Takashi Hara, 13 years ago and who was recently released from prison in Japan, arrived in Harbin last week, where it is understood he intends to remain.

A Japanese patrol on duty at the Lungchingsun airdrome was sniped at and shot through the left thigh by unidentified bandits on the night of July 1.

Bubonic Plague Reappears in Manchuria

An epidemic of bubonic plague has broken out in Manchuria and according to reports received from Mukden, 18 deaths have thus far occurred in Changchun, the capital of the new State. Physicians have been rushed to the infected areas in an effort to prevent a spread of the epidemic.

Tokyo Ministries Squabble Over Control of S. M. R.

Dr. S. Washio, writing in the *Japan Advertiser* June 29, on the subject of the reorganization of the South Manchuria Railway says this problem is bound up with the greater problem of unifying Japan's economic development of Manchuria with that of Manchukuo. The Manchukuo railways are now managed by the S.M.R. in trust. Even so, it is said that there already exists jealousy and conflict of interests between the two transportation departments in the S.M.R. As the economic development of Manchuria proceeds, rivalry and conflict may grow and multiply in other fields of industry. There has been a report that Manchukuo is planning to organize an economic research bureau paralleling those of the Kwantung Command and the S.M.R. Manchukuo is hardly in a position to do it without Japanese aid, but even under Japanese influence, such multiplication of

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economic research bureaus cannot be looked upon without apprehension of conflicting and overlapping industrial undertakings in the future. At any rate it is patent that despite the economic bloc with Manchukuo that has been talked about so loudly there exists now no organ working toward that end. There is a treaty of political alliance between Japan and the new State but there is no stipulation of economic alliance, Dr. Washio points out.

Commenting on the report that the establishment of a special office in the Kwantung Government for supervision of the S.M.R., which was introduced in the last session of the Diet by the Ministry of Overseas Affairs and for which an appropriation was obtained, has since been prevented by the disinclination of the Army, which wants to have the whole problem of the S.M.R. readjustment solved at the same time, Dr. Washio says this is a major problem of very far reaching significance, but there are other instances of disunity. Besides, the inefficiency resulting from the division of authority, of which much has been heard even before the Manchurian affair, is now more evident at home among the Ministry of Overseas Affairs, the Army and the Foreign Office. Even in comparatively simple matters the interests of different home authorities conflict. How much more discouraging must be the solution of the complicated economic problem of S.M.R. readjustment, which will not only vitally and directly affect many local interests, but more widely and inevitably home capitalist interests and home politics?" Dr. Washio asks.

Mr. Latham Recommends Australian Trade Office at Shanghai

The report of J. G. Latham, Deputy Prime Minister and Minister of External Affairs, on his recent mission to the Far East, made public last week, does not favor the establishment of diplomatic relations between Australia and Japan direct, as, in the opinion of Mr. Latham, the British Foreign Office looks after the Commonwealth's interests quite satisfactorily. Mr. Latham, however, recommended the appointment of trade representatives at Batavia, Shanghai and Tokyo, and possibly at Hongkong.

C.I.F.R.C. Asks Cooperation of Public-Spirited Men and Women

The China International Famine Relief Commission, whose Shanghai office is at 356 Peiping road, has issued a brochure entitled "What C.I.F.R.C. Means." It is mentioned that although the C.I.F.R.C. has been functioning in China for about thirteen years, it is known chiefly in the Northern provinces. The immediate program of the Yangtze Advisory Committee and its secretariat, calls for a campaign of education and cultivation in all the important centers of China. With Shanghai as its starting point, the Committee hopes to build up eventually a nation-wide constituency for the work of the C.I.F.R.C. To carry out this task successfully the interest and cooperation of a large number of public-spirited men and women is necessary.

Miss Viola Smith Issues "Motor Touring in China" Guide

"Motor Touring in China" is the name of a 32-page brochure prepared by Miss Viola Smith, U.S. trade commissioner. Maps of tours in Kiangsu, Chekiang, Anhwei, Kiangsi and around Shanghai are included. Various points of interest to be seen are described in detail. A perusal of this auto guide will prove an eye-opener to the public in general, which has no idea of the extent to which auto roads have been constructed in China during the past few years.

Sir John Simon Side-Steps Question on Nine-Power Treaty

Pressed repeatedly in the House of Commons June 4 to answer the question: What steps the British Government intend to take to ensure that the Nine-Power Treaty is loyally observed by all parties, of whom Japan is one, and whether he was of opinion that Japan is observing it on her part?—Sir John Simon, British Foreign Secretary side-stepped the question and refused to give a direct answer.

Japanese Steamers Rush Cargoes to China to Take Advantage of New Tariff

WHILE Chinese manufacturers, particularly cotton mill owners, are protesting to the Nanking government that the new customs tariff favors the Japanese industry to such an extent as to seriously menace Chinese enterprises, Japanese steamers loaded to the gunwales have been bringing record cargoes into the Chinese market. The Japanese Trade Commissioner in Shanghai is reported to have announced that a new record was established during the four days following the date when the new tariff went into effect (from July 3) during which Chinese merchants are reported to have placed orders for more than 2000 tons of Japanese products, chiefly sea-foods and paper.

The *Sin Wen Pao* and other prominent newspapers are backing up strongly the protests of Chinese manufacturers against the new tariff, which they claim is obviously framed in the interests of Japanese cargoes. The *Sin Wen Pao* pointed out that although the Ministry of Industries had been discussing measures with the Chinese cotton mills for relief of their present distress, and that it had been agreed by all parties that one of two vitally urgent actions was to increase the customs duty on imported cotton goods—yet right on top of this came the reduction of import duties. The *Sin Wen Pao* characterized this action as the most contradictory of Government policies.

The *Shanghai Evening Post*, American paper, in an editorial July 7, entitled "Tariff for Revenue, but for Japan?" said one could spend a week trying to ascertain the reasons for boosting the duty on agricultural implements and drug-store supplies and in the end would find there aren't any reasons except the obvious one of greed, with the common people paying the bill. There would be no great object in assailing China particularly, the *Post* commented, "because the devious courses of politics, and the lack of altruism in politicians, are about the same in all countries. For once, however, things seem to be moving in China. The great agricultural classes can do little unless matters reach a genuinely revolutionary stage. Shanghai manufacturers are different; they are close to the people who can make things hot for any Government and when they say Nanking is helping Japan to dump in China, they are likely to be listened to however unwillingly. It would not surprise us to see some early modifications of this new streamlined model tariff schedule. Maybe it is too streamlined and slick to down with the public."

Shanghai Chamber Sends Petition to Nanking

Strong opposition to the revised Import Tariff—especially with reference to the reduction of the import duty on certain foreign products—was expressed by the Shanghai City Chamber of Commerce in a petition to the Executive Yuan and the Ministry of Finance last week. The message urged that these reductions be declared null and void immediately, and that the old rates, as promulgated in May, 1932, be restored. Pointing out the backwardness of China's domestic industries—especially the heavy industries, the petition observed that it is evident that the importation of heavy machinery, not produced in this country, should be encouraged at the present juncture. However, according to the revised Import Tariff, the import duty on machinery has been increased, to the serious detriment of the development of domestic industries. Moreover, the message continued, whereas the import duty on foreign raw cotton, which is needed by native cotton mills, is increased, the duty on foreign cotton piecegoods has been reduced. This will inevitably result in an increase in the dumping of foreign goods on the native cotton market; and the development of the native cotton industry will thereby be hindered and arrested.

The Chamber of Commerce of Hankow in a petition to the Legislative Yuan, also expressed strong disapproval of the 5% reduction in the import duty on foreign cotton and cotton piecegoods as provided for in the revised Import Tariff.

Chinese Cotton Mills Send Protest

A petition opposing the new rates in the revised Customs Import Tariff for Cotton and Cotton Piecegoods was despatched by the Chinese Cotton Mills Association to the Executive Yuan,

the Ministries of Finance and Industry, and the Cotton Control Committee of the National Economic Council July 4. Dissatisfaction is expressed especially at the fact that whereas the import duty on raw cotton, and textile machinery not obtainable in China, has been greatly increased, the revised Customs Import Tariff provides for a considerable reduction in the import duty on cotton piecegoods. This revision, the petition points out, is bound to adversely affect the domestic cotton industry.

The Chinese paper merchants' guild has sent a delegation to Nanking to make an appeal to the Government against the new tariff schedules which the paper merchants say are against their interests. According to paper merchants the new tariff rates will further encourage foreign competition in the Chinese paper market, much to the disadvantage of the Chinese paper industry.

The *China Times* comments:—China has already suffered for many years through the competition of Japanese cotton goods. In spite of the repeated anti-Japanese boycott movements in China, during the last few years Japan did no less than \$33,000,000 worth of business in China last year in cotton goods alone. Now the new tariff has effected a reduction in the import duties on cotton goods. It means a further advantage for Japanese exporters and a new cause of worry for Chinese industries. Can it be said that the Government is encouraging Japanese trade in China and at the same time retarding the progress of Chinese home industries?"

Finance Ministry Official Explains Tariff Changes

Interviewed regarding the revised Customs Import Tariff, a spokesman of the Ministry of Finance said in Nanking, July 4, that the new tariff will not only improve the income of the Government but also facilitate the readjustment of various domestic and foreign loans. The tariff is comparatively light, he added, when compared with that enforced in other countries.

The revision of the Customs Import Tariff has been effected in order to adapt the import duties to the present economic situation in the country, a spokesman of the Ministry of Finance declared in an interview in Nanking July 9. The reduction of the import duty on cotton piecegoods, he said, is confined only to printed cotton cloth or yarn-dyed cotton cloth, which are not the country's chief textile product. It does not include the two large divisions—grey cotton cloth and cotton piecegoods, white or dyed. The import duty on paper has been reduced, he continued, in accordance with the recommendation of various cultural organizations. The paper supply of the various Chinese publishing companies being mainly imported from foreign sources, the reduction will naturally result in the lessening of their cost of production. As to sea products, the import duty on salt fish has been reduced in accordance with the repeated petitions of overseas Chinese merchants in Hongkong and Macao. Though the import duty on other fish imports, as distinct from salt fish, has also been slightly lowered, it is still above 20% *ad valorem*. The import duty on foreign machinery, according to the original Import Tariff, he pointed out, was only 5% *ad valorem*. The present slight increase is not likely to impede the work of reconstruction, he added.

A responsible official of the Executive Yuan in an interview at Nanking July 8 expressed the opinion that the consternation now existing in Chinese commercial and industrial circles following the enforcement of the revised customs import tariff rates is unwarranted, and unnecessary. According to this spokesman, the Central Government has not seen any reason for immediate changes in the new rates and if it should be proved after a reasonable period of time that the revised rates bear too harshly on native industries, proper steps would be taken. The idea of introducing a special surtax on certain imported goods which are likely to compete with native products was discredited by the official, who pointed out that with tariff autonomy restored, China can arrange her tariff rates any way she sees fit. What is affecting the Chinese cotton paper and sugar industries is not imported goods, but what is being produced by foreign factories in China, this official opined. The government has long realized this point but the complete eradication of foreign manufactories on Chinese soil cannot be achieved over-night, he said.

"New Tariff Mitigates 'Anti-Japanese Color'."

The *Osaka Mainichi*'s correspondent at Shanghai July 2 sent a long telegram to the effect that the new Chinese tariff rates are not so advantageous as they were anticipated to be. It is worthy of note, however, he said, that some effort was made on the part of the Chinese government to mitigate the anti-Japanese color, as evidenced by the fact that duties on imports from Japan were mainly unchanged, or slightly lowered, while those on such articles as building materials, raw cotton, and articles of luxury (which constitute the bulk of imports from the United States) were raised to some extent. Generally speaking, the Japanese correspondent said the revision has been effected entirely "for the purpose of giving further protection to China's domestic industry, and also to increase the customs income, and the Nanking government paid almost no attention to the requests that Japan has made in connection with the tariff revision."

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Prominent Chinese Artist Is Entertained by Chinese Minister at Washington

Chao Mei-pa, a prominent Chinese musician and artist, visited Washington last week as the guest of the Minister of China and Madame Sze at the Legation. Mr. Chao had come from Europe. He was heard in different concerts in New York and other parts in the East. He gave another concert at Cornell University, under the auspices of Cornell-in-China, Chinese Students' Club and the Cosmopolitan Club. The Music Department of the University gave a dinner in his honor. The Chinese Students' Club treated him to a Chinese banquet. Mr. Chao has had a very interesting career. He was former instructor of music at the University of Shanghai, and had his early training with Herbert Cave, a visiting artist in 1925. Later, Mr. Chao studied with P. Selivanoff. His career in Europe since 1929 under Master Maurice Weynandt, an eminent artist, and professor of singing at Brussels Royal Conservatory, was made possible by a government fellowship proposed by Dr. King Chu, Dr. Tsai Yuan-pei, and Dr. Chu Min-i.

The *Washington Post* of May 28 contains an appreciative reference to the artistic talent of Miss Maimie Sze, daughter of the Chinese Minister, who maintains a studio in New York. Miss Sze had studied painting for two years in London and New York.

Walter A. Adams Appointed U. S. Consul General at Harbin

Announcement was made last week that Walter A. Adams, U. S. Consul General at Hankow, had been appointed Consul General at Harbin, succeeding George C. Hansons, who was recently promoted to a position in the United States Embassy at Moscow. Mr. Adams began his career in the Far East as a clerk in the Philippine Civil Service in 1914. He was admitted to the bar in the U. S. Court for China in 1916. He was vice-Consul here from 1916 to 1918. He held posts successively in Java, Canton, Swatow and Changsha. He was appointed consul at Tsingtao in 1922, and later served at various interior ports. He was promoted to Consul General at Hankow in 1931. Mr. Adams was born at Greenville, South Carolina, Dec. 16, 1887. He holds the degree of L.L.B. of Georgetown University.

Death of Alex. McLure Coincides With Acquittal of Robbery Suspects

The robbery which took place at the offices of Seth, Mancell and McLure, chartered accountants in the French Concession several weeks ago, had an unexpected sequel in the Chinese court in the French Concession last week. The four suspects arrested by the French Police in the \$12,000 robbery (money intended for the Canidrome, dog racing establishment)—although at previous hearings identified by Chinese employees of the accountant's office—were acquitted by the court July 3. Two of the accused were members of prominent Chinese families. During the hearing, Yen Loo-ching, lawyer appearing for the complainants, was accused of attempting to extort money from the families of the accused. On the same morning that the accused were acquitted, the death occurred of Alexander McLure, junior partner of the complainant firm. Death was announced to have been due to exposure to the sun and heat during a week-end trip at the Chapu summer resort. Mr. McLure's death, however, occurred in Shanghai. The coincidence of the death and the acquittal has resulted in the same sort of suspicions that were commonly talked of following the deaths in rapid succession of three prominent members of the French Concession about three years ago.

A memorial fund in memory of the late Mr. McLure is being collected in support of the Boys Camp at Tsingtao. To date more than \$1,200 has been contributed by friends of the deceased.

Dr. Sellett Discusses Medico-Legal Aspects of Crime

Dr. George Sellett addressed the Shanghai Medical Society July 6 at the Hui Country Club on the medico-legal aspects of crime. The speaker traced the history of the punishment of crime through the ages, and dealt comprehensively with the theories underlying punishment. Dr. Sellett concluded with a suggestion that whereas in the past the responsibility for the prevention of crime had rested mainly with the lawyer, in the future the medical profession would have to bear its share.

New Japanese Cabinet Is Formed---General Election Predicted

THE outstanding feature of the new Japanese Cabinet is that General Hayashi remains as War Minister. Admiral Ohsumi as Navy Minister and Koki Hirota as Foreign Minister—the positions they held under the old Saito Cabinet. The new Cabinet formed by Admiral Keisuke Okada was formally installed by Emperor Horohito at the Imperial Palace in Tokyo July 8. Its composition as follows:

Premier—Admiral Keisuke Okada, non-partisan;
Home Minister—Fumio Goto, member of the House of Peers;
Finance Minister—Masanobu Fujii, non-partisan;
Foreign Minister—Koki Hirota, non-partisan, a hold-over from the Saito Cabinet;
War Minister—General Senjuro Hayashi, also a member of the previous government;
Navy Minister—Admiral Mineo Ohsumi, who filled the same post under Premier Saito;
Education Minister—Genji Matsuda, Minseitō;
Justice Minister—Naoshi Ohara, non-partisan;
Commerce and Industry—Chuji Machida, Minseitō;
Railway Minister—Shinya Uchida;
Communications Minister—Takejiro Tokonami;
Agriculture and Forestry—Tatsunosuke Yamazaki.

The three last-mentioned were expelled from the Seiyūkai, majority party in the Diet, for accepting posts in the new Cabinet. Premier Okada is acting concurrently as Minister of Overseas Affairs, concerning which post there is considerable speculation. There are rumors that the new government plans to abolish this Ministry. Among the candidates for said office is Prince Fumimaro Konoe, President of the House of Peers, who is on his way back from the United States.

Members of the House of Peers predicted when the Okada Cabinet took office that its life will be short, this dissatisfaction being due to the fact that only one member of the Upper House, Home Minister Fumio Goto, was allotted a portfolio. Foreign Minister Hirota, who is a hold-over from the Saito Cabinet, July 8 wired to all officials of the Japanese diplomatic corps abroad that the diplomatic policy of the new government is unchanged from that of its predecessor, and that Japan will adhere to its plan of co-operation with individual foreign powers along the lines of the Imperial rescript issued at the time of Japan's withdrawal from the League of Nations.

Shinshin Fujii, who has accepted the portfolio of Finance in succession to the aged Mr. Takahashi, had been appointed Vice-Minister of Finance, succeeding Mr. Kuroda, who is now under detention charged with the graft case. His promotion in officialdom is remarkable because he jumped from the Chief of the Accountant Bureau of the Finance Ministry to be Vice-Minister and then to the Minister of Finance in less than two months. He is 49 years of age.

Naoshi Ohara, President of the Tokyo Court of Appeal, who has accepted the portfolio of Justice, was the Vice-Minister of Justice in 1927 and has occupied the present post since 1931.

Sir Juichi Tsuchida, Chief of the Finance Bureau of the Finance Ministry and former Financial Commissioner abroad, has been appointed Vice-Minister for Finance.

The new Cabinet met for the first time July 10. Mr. Fujii, Finance Minister, reported to Ministers of State that he would follow the policy of his predecessor, Mr. Takahashi, with special reference to the budgetary problems.

General Election Is Foreshadowed

While members of the newly-formed Cabinet under Admiral Keisuke Okada took over their respective functions from their predecessors July 9, well-informed observers saw, according to *Rengo*, perilous breakers lying in the course of the new government in the form of problems left behind by the outgoing administration. Held as most important among these was the question of restoring public confidence in the integrity of the governing classes. The preceding Saito Cabinet, which had embarked on a policy of tightening-up official discipline, was forced to resign because of graft in one of its most-closely supervised departments, the Ministry of Finance. To recoup this lost prestige, the Okada Government will have to pursue a fair and enlightened administration, meantime exercising a stricter discipline among public servants, observers pointed out.

The Cabinet will probably go to the voters for approval of its policies in view of the widening rift between the government and the Seiyūkai. If the Lower House is dissolved and general elections are held, the government will seek to make these as fair as possible by enforcing the regulations of the newly-passed Electoral Law, it is generally believed in Tokyo.

Matsutaro Shoriki, publisher of *Yomiuri Shimbun*, who had been under police examinations on the suspicion of being

involved in the Finance Ministry graft case, was taken to the Tshigaya Prison July 6. Baron Kumakichi Nakajima, former Minister of Commerce and Industry, who was summoned to the Procurators' Office of the Tokyo District court July 5 and allowed to return home next day, is likely to be formally indicted in the near future.

Japanese Navy Will Ask For 700 Million Yen Next Year

Estimated demands of the Japanese navy for the next fiscal year, now under compilation by the Navy Ministry, will reach a total of Yen 700,000,000, a recent Tokyo message intimated. This year's naval budget, the largest in Japanese history, totalled Yen 480,000,000. A budgetary conference is scheduled to be held by high navy officers about the middle of this month.

German University Expels Teacher Because of Japanese Parentage

Expelled from his German post by the Nazis because his mother was Japanese, Dr. Otto Uhlman, former professor of biology in Greifswald University, arrived in Tokyo last month. Dr. Uhlman's father, Frantz Uhlman, married a Japanese in Yokohama 29 years ago. The son was taken to Berlin when he was four years old and remained there until his expulsion. In 1924 he graduated from Berlin University, where he had studied agricultural chemistry, and in '29 he was given a degree and made a lecturer at the university. In the meantime, he married a German girl. Subsequently he was appointed an assistant professor in the Greifswald University and a member of the Institute of Biology in Berlin. He was expelled from the University, says the Tokyo *Asahi*, because of his Japanese blood, and on May 26 he embarked with his wife for Japan.

Baron Constantine von Neurath, German foreign minister, in Tokyo, personally assured Matsuo Nagai, Japanese Ambassador in Berlin, July 2 that Prince and Princess Tsunenori Kaya, Japanese royalty now visiting Germany, would be in no danger from the disturbances taking place in the Reich.

Japanese Take First Steps to Enforce Conscription in Korea

Since Korea was annexed by Japan in 1910, its people have been exempt from military service but in view of the strained situation in the Far East and the possibility of a "crisis" next year, it was announced by the Japanese War Office last week that it had decided to attach officers selected from the active service list to a number of boys' middle schools in Seoul and other cities in Korea to train the students. Considerable importance is attached to the innovation as it is looked upon as the first step in a plan which will have an important bearing on the national defenses of the Japanese Empire. The question of establishing conscription in Korea is being considered by the Japanese military authorities.

The window of the Japanese Embassy in Rio de Janeiro was shattered on the night of June 29 by several unidentified persons.

Huge Cotton Yarn Production

The trade volume of Japan for the first half year totalled Yen 2,161,000,000, showing a decrease of Yen 186,000,000 in the excess of imports over exports against the corresponding period of last year. Exports reached Yen 1,003,000,000, while imports amounted to Yen 1,158,000,000. The production of cotton yarn in June showed a record of 287,000 bales.

Former Court Officials Sentenced as Communists

Sentences ranging from two to eight years were imposed June 30 by the Tokyo Court of Appeal on five former court officials accused of Communist activities. Takashi Ozaki, former judge of the Tokyo District Court, was sentenced to six years, and Hitoshi Nishidate, a clerk in the same court, was given eight years. Former Judge Tamenari of the Nagasaki District Court, and former Judge Takiuchi of the Yamagata District Court were sentenced to three years each, and former Judge Fukuda of the Yamagata District Court received two years.

Charged with violation of the peace maintenance law, four Japanese communist leaders who refused to renounce communism and who pledged allegiance to the Comintern, were sentenced July 9 in Tokyo to penal servitude ranging from life to 10 years.

Japanese Women's Group Opposes Abolition of Public Prostitution

Public prostitution, threatened with abolition by proposed Home Office legislation, is not a blot on Japan's escutcheon as abolitionists contend, Mitsue Kojima, president of the Nippon Fujin Koseikai (Japan Women's Regeneration Society) believes. The abolition legalized prostitution, the woman champion of the "Yoshiwara" and kindred establishments declares, necessarily

leads to the increase of private prostitution, which damages public morals and public health to a more serious extent.

Mrs. Kojima invited abolitionists to a meeting on July 11 for an exchange of views. However, *Rengo* says that, responding to the campaign for the closing of such areas sponsored by the Women's Christian Temperance Union and other Christian organizations, the "red light" districts at Takaoka, Aomori Prefecture, will go out of existence July 15.



Kanegafuchi Spinning Co. Sustains Enormous Losses in Silk

A somewhat gloomy picture of the business and financial conditions of the Kanegafuchi Spinning Company, Japan's foremost spinning concern, is being drawn by the *Osaka Jiji*. The Company has incurred an enormous loss from the silk business, and as there is little hope of an immediate improvement, the management is endeavoring to make good the loss with its profits from the cotton business. The position of its cotton spinning department, however, is not so satisfactory as that of other companies. Its speculation in raw cotton has been a failure and it has been too hasty in disposing of its product. Besides making a call on its unpaid capital, therefore, the management is to raise a loan elsewhere so as to adopt a positive policy in the future. The *Osaka* journal learns that the management has already arranged to obtain a loan from a certain bank in Shanghai on the security of its Shanghai mills. For many long years, the Company has not borrowed working funds from outside parties, and so the present loan bears testimony to its plight, concludes the *Osaka* paper.

Burton Crane writes in the *Japan Advertiser* that as a result of the sericultural crisis, silk men are swarming into Tokyo, demanding that something be done. The silk pilgrims to the capital have been demanding a special session of the Imperial Diet, since a special session was promised last year for the rice growers. But the political uncertainty and the impossibility of doing anything to bring about a sudden improvement will probably militate against a special session. The fundamental measures which the best brains will study include lowering the production cost of cocoons. This is considered the most important of the lot—as it is.

Raw Silk Slumps in U.S.—Rayon Mills Cut Production

Raw silk for near delivery was sold in New York June 26 at slightly above \$1, which is the lowest this year and is within four cents of the point that is the lowest for all time. During the period between 1924 and 1929, the quotation varied between \$5 and \$6 a pound. American consumption of raw silk during the current season amounted to 408,000 bales up to June 1, which is 101,000 bales less than that of last season. The leading rayon companies in the United States are now resorting to output curtailment as a measure to deal with the low demand which has resulted from the recent sharp depreciation of natural silk prices. These concerns, including Viscose, Industrial and several other influential manufacturers, have recently announced heavy price cuts in rapid succession, to compete with silk, but this has not been effective enough, hence the curtailment.

Japanese Cotton Yarn Circles Fear Over-Supply

As the cotton yarn output in Japan during June amounted to the unprecedentedly heavy total of 286,000 bales under the stimulation of an exceptionally large margin of profit, apprehension of over-production prevails. The curtailment of operation now observed by members of the Japan Cotton Spinners' Association is to be mitigated by 5 per cent in July, and it will be further eased by 3.8 per cent in and after October, this year. Meanwhile new spindles are being installed steadily. It is estimated that the monthly production of cotton yarn during July, August, and September will range between 280,000 and 290,000 bales, and that the same during October, November, and December may reach from 310,000 to 320,000 bales.



Ten Per Cent of Tokio's Population on Poor Relief

A recent article in the *Nagoya Shinichi* (of Nagoya, one of Japan's larger cities) describes the breakdown of the Japanese "family system." It says: "According to the Tokio City Social Bureau, there were 111,604 families in Tokio, with 491,142 members, on October 1 of last year who depended upon public assistance. This means that 10 per cent of Tokio's population of 5,000,000 is too poor to support itself. Viewed from this angle, Japan is a nation of paupers; it is probably worse than Italy, though the latter's reputation for this is the greater. The poverty in Tokio reflects poverty in other parts of the country, but the average may be less than in the capital. One of the major causes was the severe blow dealt by the Kwanto earthquake and fire of 1933. With the increase of those who cannot support themselves, the rest of the populace were menaced by having the poor go from door to door in quest of money and food. Many houses have had to put out placards announcing that they have nothing to give. This was rarely seen before the earthquake."

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Many Chinese Schools Hold Commencement Exercises

Commencement exercises of the National Peiping University were held July 2 in the presence of more than 500 guests. 374 graduates received diplomas. After reporting on the academic work of the school, Dr. Hsu Sung-ming, Chancellor of the University, spoke on the obligations of students towards society. The chief address was made by Ho Chi-kung, Chief Secretary of the Peiping Political Affairs Readjustment Committee, who exhorted the graduates not to seek exalted posts but rather to take up work which would benefit the future of the nation.

Beginning from the 23rd academic year (July 1, 1934-June 30, 1935), the training of Boy Scouts will be made a required course in the curriculum of Junior Middle Schools. A decision to this effect was reached at the meeting of the Executive Yuan July 3 in accordance with the proposal of Dr. Wang Shih-chieh, Minister of Education.

Commencement exercises at the Minghsien school were held at Taiku July 2. The ceremonies were presided over by Dr. Kung, Minister of Finance, and attended by a number of representatives of official and public bodies, including Chu Shou-kuang, personal representative of General Yen Hsi-shan, Director of the Taiyuan Pacification Headquarters. Minister Kung was host at a dinner in the evening given in honor of the graduates and the guests at the commencement exercises.

Special Military Training for Students

Special military training for the students during the summer vacation has been started in the Nanking. The inaugural ceremony July 6 was attended by representatives of Central Party Headquarters, the National Government, the Inspectorate-General of Military Training and the Bureau of Social Affairs of the Nanking Municipal Government.

Special military training for students during the summer vacation was started in Hangchow, July 3 with the close of the school term. Altogether 800 students are participating.

More than 800 students were enrolled at Nanking, July 2 to receive special military training during the summer vacation. Yang Lien, Provincial Commissioner Education delivered a speech of admonition laying special emphasis on the importance of this training.

Under arrangement with the British Admiralty, the Naval Ministry at Nanking is despatching five cadets this year to Great Britain to receive further training.

The second annual examination for the selection of 31 students to be sent to Great Britain on post-graduate scholarships provided out of the British Boxer Indemnity Refund was held simultaneously in the Capital and Peiping July 9, 10 and 11.

Commencement exercises for the special training classes for public health workers and inspectors were held in Nanking, July 7 under the auspices of the Public Health Administration.

Commencement exercises for the students of the Police Officers' Institute of the Ministry of Interior were held in Nanking, July 8 under the chairmanship of Chen Yu-hsin, Principal of the Institute.

The Ministry of Finance has telegraphed the various provinces requesting that schools be established for the training of financial experts.

By an order of the Ministry of Education, the Honan Provincial University has abolished its Engineering Department and merged the Chinese literature and history departments.

The eighth annual meeting of the Association for the Study of Child Education opened at Wuchang University July 9, under the chairmanship of Chan Hao-chin, who expressed gratification over the fact that though the Association was formed at Hangchow only 8 years ago, it has now a membership of over 1,600 individuals and 37 organizations.

Official Ruling Made on Status of Primary Schools Established by Foreigners

An official ruling regarding the status of primary schools established by foreigners or foreign organizations in China has been handed down by the Ministry of Education, according to which primary schools established by foreigners or foreign organizations, which have not been duly registered with the National Government in accordance with the regulations governing the registration of primary schools, should be closed immediately. However, exceptions may be made in the case of schools which have achieved noteworthy results, or which were established before the promulgation of the regulations governing the registration of primary schools and the revised regulations governing the registration of private and public schools, or which are headed by Chinese principals, or which are not engaged in religious propaganda, and which are taking active steps for registration with the Government—provided however that such registration should be effected within the current school year.

The Need for Practical Training

The *Sin Wen Pao* comments:—"During recent years college graduates have failed to live up to the expectations of the public and most of these young men are unable even to find a job when they leave school. The reasons for this deplorable situation are many but the most important ones are that students are not educated

along the lines required by society and they do not specialize. Some suggest that since most of the students who graduate from colleges are not useful it would better to close down all the unnecessary schools in the country while many hold that the present unsatisfactory educational system is mainly responsible for this situation. The latter group state that the students should be trained along special lines so that every graduate would have a chance to prove his value to the public. Too many students are inclined to get a liberal education, but such is chiefly responsible for their inability to find employment. The reason is that society does not require so many young men with a liberal education. What are required are technical experts. The unsatisfactory state of the educational system was known many decades ago and naturally we cannot lay the blame on the teachers or the students themselves. But the educational authorities have a duty to make necessary revisions when they discover the weak points in the present educational system. It is no use to heave sighs over the deplorable situation without trying to do anything. If the educational system does not suit the present day situation it will become more inadequate if it is maintained for many more years. The educational authorities are advised to see that necessary reforms be introduced into the educational system at once and they should be ashamed of themselves when they see that most of the graduates cannot even find employment."

"Oriental Affairs" Ban Continues--- Mr. Woodhead Resigns

The latest development in the affairs of H. G. W. Woodhead is that he has resigned from the Committee of the British Residents Association. In the meantime the Chinese postal ban on his publication, *Oriental Affairs*, continues. The Chinese Government in a reply to British representations on the banning of *Oriental Affairs*, asserted that the magazine has been consistently hostile and indirectly damaging to the Chinese Government.

The Chinese Government also says that the magazine takes every opportunity to espouse the recognition of "Manchukuo," and has declared that the Chinese population in "Manchukuo" would welcome recognition of the new state. The Chinese Government said it welcomes friendly and constructive criticism, but malicious remarks, the preaching of disloyalty to the government and racial animosity must be regarded differently. The ban must be regarded as a mild correction, the government continues, which can be lifted if the party concerned offers amends.

The Chinese Government emphasizes that the *China Critic* has been banned on various occasions in the Straits Settlements and is still banned in Rangoon without the slightest explanation.

Tang Leang-li, editor of the *People's Tribune*, in the current issue makes the following comments among others: "Evidence of the remarkably intimate relations existing between the traitor Pu Yi and Mr. Woodhead is seen in the fact that it was actually arranged for the latter to broadcast a personal message to the British public on behalf of Pu Yi immediately after the latter's 'enthronement' last March. The Japanese Foreign Office knows why Mr. Woodhead did not take his place before the microphone to pass the rebel Pu Yi's 'gracious message' on to an expectant British public. So does the British Foreign Office; but to the most liberal and broad-minded it must surely seem a little too much that a man so closely in the confidence of the 'ruler' of a 'State' whom China regards as a rebel and a traitor should expect the Chinese Government to assist him in selling a periodical so largely devoted to praise of that same puppet 'State' and all those associated with its inception and maintenance, and so strangely reluctant to express appreciation of anything good coming out of Nanking—or even to admit the possibility of such a happening."

"The operation of the postal ban, of course does not prevent the printing and publication in extra-territorial districts of Mr. Woodhead's burlesque of a 'symposium,' and the July issue makes its appearance unblushingly—or perhaps we should say blushing very deeply for the lurid lie scrawled in the manner of catchpenny Communist 'literature' across the cover—'Banned From The Mails For Seeking The Truth!' China has no wish to prevent Mr. Woodhead or anybody else seeking the truth about this country and its problems; it is anxious that the truth should be known and told—but not mixed with half-truths and untruths so that readers of such a subtly-mixed 'symposium' are led to accept that which is not true as authentic simply because the name of H. G. W. Woodhead, C.B.E. is somehow associated with it."

"We think it quite proper that the Chinese Government should decline to facilitate the distribution of a publication which has persistently given space to views which attempt to bring the official policy of the nation into contempt and ridicule. Why should the Chinese postal service assist in handling publicity in praise of the puppet 'State' of 'Manchukuo,' and propagate the idea that formal recognition of the traitor and rebel Pu-Yi's 'sovereignty' over Chinese territory is the proper thing to do? If the Japanese Government cares to encourage the dissemination of such ideas, its attitude can be readily understood, but there is no reason why the postal service operated by the Chinese Government should assist in such propaganda."

A foreign correspondent in the *People's Tribune* writes: "The writer personally disagrees with any form of censorship whatsoever,

believing that in the long run it merely stultifies itself, but he cannot look on freedom of discussion as a 'right,' or wax into a frenzy of moral indignation when limits are legally imposed. It is entirely a matter for each State to determine for itself. China has ample precedents in other foreign countries for her attitude, though one may think she has chosen to follow the worse rather than the better examples, just as one may think that in the long run foreign journals and journalists, even the self-important Mr. Woodhead, are not worth the powder and shot expended on them. If a mistake has been made in the present instance, it has been in attributing an importance to *Oriental Affairs* proportionate only to its real insignificance, and thus giving Mr. Woodhead the opportunity to pose in the role of a persecuted martyr."

Chao Kung (Trebitsch Lincoln) in a letter to the *North China Daily News*, July 7, in commenting on the Woodhead affair pointed out that he as a European, was refused free travel in Europe by the Christian Governments of Europe. As long as he a Buddhist Abbot from China, is not allowed free and unhindered movement in Europe in a peaceful mission, no foreigner has a right in equity to claim the hospitality of China, he argued.

H. Reginald Phelan on the same date wrote to the same paper expressing the hope that some of those Chinese who have the interests of their country at heart would endeavor to convince him with sound arguments that there is evidence in full that *Oriental Affairs* has been disseminating propaganda detrimental to the Republic and that at the same time there are good reasons why no legal action should be taken against its editor.

Floods Threatened in North China Following Heavy Rains

Owing to the rise of the rivers following torrential rains, it is reported that northern Kiangsu, Shantung and Shensi are threatened with floods. Following heavy downpours, the Wei Shan Hu (Lake) and the Grand Canal along the Kiangsu-Shantung border are rising rapidly and overflowing in many places. The Yellow River at its old course is now on a level with the banks.

Heavy rainfall in southern Shensi during end of last week completely flooded the districts of Ankang and Hsundayang, near Sianfu.

Tsingkou, a city on the east of Hsuechow near the sea coast, was flooded July 2 when the dykes around the town were destroyed.

The inhabitants in northern Honan are alarmed at the sudden rise of the Yellow River at Shenchow.

The new dykes in the vicinity of Litsin along the Yellow River in Shantung suddenly collapsed July 2.

The water in the Grand Canal at Tsinkiangpu is rising to an unprecedented level. A recent survey showed that the water had risen to 21 feet, which is six feet higher than the ordinary level.

As a result of the rise of the rivers due to torrential rains, North and Central China are reported to be seriously menaced by floods.

According to a Peiping message, following heavy downpours during the past few days, the Yungting Ho (River) has been gaining in height particularly at its upper reaches along Hsuanhua, and Huailai, southern Charher.

The Luan River, in northeastern Hopei, is also rising. As a result, the Luan Ho Bridge along the Peiping-Liaoning Railway is in danger.

The Han River is still rising and all the low-lying areas in Chenkiang are inundated. Telegraph service between Yokow, in northern Hupeh, and Hankow is dislocated.

The petition of the Yellow River Conservancy Board that a sum of \$300,000 be remitted from the "Yellow River Relief Fund" for urgent repairs to the dykes has been approved by the Executive Yuan.

Nearly all districts along the Shanghai-Nanking Railway are suffering from unusual dry weather, with most of the canals dried up. Unless rain comes promptly all traffic on inland rivers will probably have to be suspended on account of the shallowness of water.

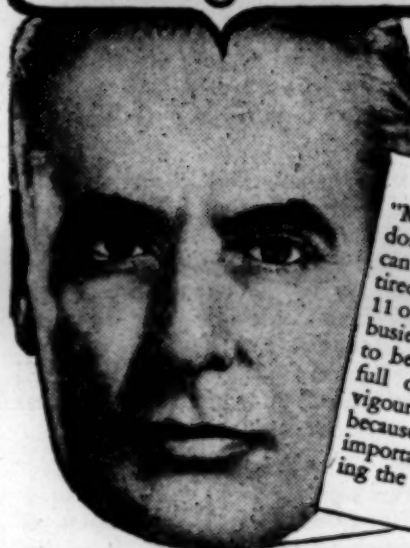
The farmers at Pinhu in Kiangsu are becoming desperate and they are parading the streets with the images of the dragon gods. The rivers surrounding the districts have almost dried up.

Shanghai Chinese Suggest Embargo on Slaughtering Cattle So as to Appease Gods

The Shanghai region is experiencing extreme drought, and crops are on the verge of ruin. A group of prominent Chinese in Shanghai July 10 petitioned Mayor Wu Teh-chen and provincial authorities to forbid the slaughtering of domestic cattle in order to appease the rain gods. Less than two inches of rain have fallen since June 1. The temperature hovers daily around the hundred mark.

As a result of the continued dry weather and the lack of fresh supplies, the price of rice in Shanghai, and throughout China, is rising daily.

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Quaker Oats



Japanese People Lose Confidence in Parties, Politicians and Financiers

BY THE REVIEW'S TOKYO CORRESPONDENT
(Translations from various Japanese publications)

OFFICIAL scandals are not the monopoly of Nippon but seeing that the political history of the country is at once the history of scandals it is not too much to assert that it is hopeless to wipe out this traditional evil practice.

With the disclosure of the so-called Financial Office incident (cf. May 6 issue of the *Review*) it is observed here that general attention of the people has been divided into three directions—viz., political parties, financial cliques and government officials, so far as corruption is concerned. The public surprise is especially great this time because, among all others, the prosecuted was in charge of the "safe" of the state, and because the scandal happened when the memory of the tragic end of Baron Takuma Dan and Inukai was fresh in the minds of the people.

Since the appearance of the Saito Ministry, especially since the beginning of this year, various unsavory cases connected with scandal hovered about the members of the Cabinet, every time shaking the groundwork of the so-called national government of Saito. These together with the numberless precedents made the people become further disappointed of partymen and financiers. Following these came the corruption case of Finance Vice-Minister Hideo Kuroda. This, coming from the Finance Office in which the public placed absolute confidence and springing up at the very foot of veteran statesman Takahashi of the Saito Cabinet, one of whose planks is the improvement in official discipline, has greatly disappointed the people who retained confidence in officials in the government service and who could not but do so after having lost every confidence in the political parties. Thus, along with the political parties and financial cliques, the bureaucrats have also become the butt of public criticisms.

Leading Papers Condemn the Laxity of Official Discipline

Osaka Mainichi and Tokyo Nichi Nichi, May 20.—The Saito Cabinet amended the regulations regarding the position of officials and has guaranteed the status of officials. The object of the amendment cannot be other than to permit the officials to feel secure in their position, so that they may devote themselves to their work. However, the result of the separation of the amendment regulations unexpectedly has created adverse criticism of having fostered among officials the habit of being inured to the sense of security, with consequent negligence in administrative work and laxity of discipline. Whether the criticism is justified or not, the fact that the criticism has been made may be taken as an indication of the extent to which the officials enjoy public confidence. In the wake of this situation, the appearance of unpleasant cases, one after another, as we see them these days, must be instrumental in further lowering the esteem of the nation for public officials. How lack of public confidence in the political parties has not only forced them into their present position but has also disturbed public thought, need not be repeated here. If, however, a similar lack confidence is expressed in general officials who constitute the mainstay of the national central administration, we fear it may have a far more serious effect than in the case of the political parties. This is a more weighty question than that of the fate of the Cabinet.

Tokyo and Osaka Asahi, May 20.—Immediately after corrupt political parties went out of the back door, public officials entered and soon showed the cloven feet. How could the honest people withstand the series of cases of lax official discipline? Those government officials who, in the palmy days of political parties joined the partymen to help them carry out evils, commenced to apply the same crafty art soon after their gathering power. The thought that the public servants indulge in making ill use of their official powers is detestable. We do not mean to say that all the public servants of the country lack discipline, but it is nevertheless a clear fact that, in consequence of the status of the officials having been guaranteed by the present government, an indolent atmosphere began prevailing throughout the official circle and as a consequence there is observed a tendency for the officials to show arrogant attitude to the outer world. The Financial Office incident this time is beyond

all power of language to express, because the vice-chief of the organ in charge of state treasury was prosecuted. The arbitrary conduct of the officials is now revealed not only within central and local government circles, but outside their own field of influence. There are a number of evidences testifying to the slack discipline of officials, and it is not an exaggeration to say that the people have more sense than to rely upon the Saito Government for cleansing officialdom.

Dignity of the Finance Office Is at a Low Ebb

(By Nobuji Takasaki (高崎信治)—*Keizai*, July, Published by *Kaizo*)

The Kuroda case has completely ruined the Finance Office, which, as the headquarters of the financial administration of the state, ought to maintain the absolute confidence of the people. The Finance Office has been so prudent in the execution of its business that, in replenishing the staff, it has made it a rule to consider only those who graduated from the Universities with honors. As a result no disgusting case happened until the 1932 session of the Diet at which a Seiyukai member pointed out the big-scale evasion of taxes by the Meiji Sugar Refining Company and official scandal connected with it. It is noteworthy that the procurator who decided on the existence of the big tax evasion was the same Procurator Kuroda that has taken charge of the case of the present Kuroda scandal. At the time Procurator Kuroda pointed out the tax-dodging of tens of millions of yen, the Finance Office authorities flatly turned it down and issued an order to make an additional collection of only Yen 700,000. Procurator Kuroda is said to be determined to revenge himself this time. Although the affair is now kept dark, it is undeniable that the Finance Office can no more boast of its traditional integrity and that financial cliques unlawfully profited by utilizing the power of government officials.

This is nothing but an instance of the case of the financial cliques' coming in contact with government power, with which the political history of the country abounds. Yet, the fact that it broke out under the reign of Saito Ministry which makes it one of its planks to cleanse officials, circles, and that the amount connected with the incident is enormous, indicates it is worthy to be called the pyramid of the scandals of the present Era.

Bird's-eye View of the Latest Nippon Financial Cliques

(By Sorbi Okada (岡田宗司), *Keizai*, July)

1. *From the Period of Fear to That of Camouflage.* At the time Premier Hamaguchi and Finance Minister Inoue were assassinated the Nippon financiers received no great shock, but the report that Baron Takuma Dan of the Mitsui was shot dead on March 5, 1932, at the entrance to the Mitsui Building made them shudder. When afterward they learned that such notables as Prince Saionji, Makino, Wakatsuki, Inugai and financial leaders such as Baron Go and Seishin Ikeda were on the list of assassination, they were thunderstruck. They began to wear shot-proof underwears, engage guards or private policemen. Some even went so far as to seek refuge at some others' or take the dirtiest taxicabs instead of driving their own. In the meantime, the Saito Cabinet appeared and temporarily settled down their disturbed minds. Still the financial cliques were quite anxious to get rid of public suspicion as to their relations with political parties. Hence their elaborate attempt at proving their innocence. They vied hard to induce the public to believe their money was not merely for private interest. Mitsui and Mitsubishi each donated 10 million yen, while Mitsui gave away 30 million yen for the creation of a social welfare organization. Similarly, on the part of the political parties, they have come to refrain from pressing the financiers so mercilessly as before, making it easy for financial leaders to make contributions toward social service. In this way the financial magnates tactfully camouflaged during two years' peaceful administration of the Saito Cabinet.

2. *Danger Past—God forgotten.* Later, the tide changed further to their advantage: Gen. Araki's national reconstruction plan fell still-born, the S. M. R. reconstruction question was frustrated by their joint opposition, intelligent Hirota succeeded robot Uchida, Gen. Araki quit office while Saito considered financiers' interest more than they had anticipated. Forgetting past bitter experiences some of the smart financiers—Banchokaimen—skillfully maneuvered with Baron Go as their head. Their attempt succeeded to some extent but finally failed and those connected with the plot were thrown into prison, and the incident is feared to make further development. What is most regrettable, the Banchokai fire spread to the person of Finance Minister Takahashi whom the financiers trust and worship as their guardian deity. Thus their two years' laborious work to restore their former confidence has again completely been frustrated. They condemn the progressive element of the Banchokai, but the method the Nippon financial cliques resort to is an exact copy of the plot undertaken by these Banchokai men.

Lax Official Discipline is Most Regrettable(By *Tamon Maeda* (前田多門), *Gendai*, July)

When the chronic evil conduct of political parties has at length been put under restraint, wrong-doers have come to put up their heads in the official circle. All grumble that under such circumstances how could the people pay taxes out of their honest earnings. Great is the responsibility of the Government which took up the reins of government by putting up a signboard of promoting official discipline! The breach of discipline is not confined to the Finance Office; a most deplorable example is the recent ugly friction among officials in the Education Office.

The Saito Government, with the object of disabling political parties' arbitrary shifting of officials, amended the regulations regarding the position of officials and guaranteed the status of public servants. The new law worked effectively and the position of government officials has become much safer than before, but it is regrettable that it proved instrumental toward bringing into light such an ugly scandal; had there been no such law the Government could have nipped the case in the bud by discharging unsavory elements from the Finance Office. What is worse still, the new law, in two years since its promulgation, began calling forth criticisms as checking healthy replacement of officials, thus inconveniencing the promotion of able juniors.

Much abuse was wasted upon the party ministry but in reality the present cabinet is more undisciplined than the party one. At the time of the Hamaguchi Cabinet no government-owned automobile was used for officials' use, whereas there is tendency among officials of today to vie with one another in driving these vehicles for private objects, such as, for visiting infamous quarters. I have never heard of a country in which the public servants so slovenly utilize things owned by the state. The Saito Government does not come up to the expectation of the people in its way of dealing with this obvious breach of official discipline.

Chinese Minister's Son Weds Daughter of Shanghai Banker in London

The marriage took place in the Chinese Legation in London July 7 of Dr. Sze Ming-sze, son of Dr. Alfred Sze, Chinese Minister in Washington, and Miss Bessie Li, daughter of Li Ming, prominent Chinese banker of Shanghai. There was a large attendance of Chinese and foreign guests, including friends from the Foreign Office and the Diplomatic Corps. In the absence of the usual printed forms, which the bride and groom have to fill up in modern Chinese weddings, the Chinese Consul provided written forms which adequately fulfill the law. Quo Tai-chi, Chinese Minister to Britain, performed the ceremony.

The Minister acted as proxy for T. V. Soong, as Dr. Sze's introducer, while F. P. Ling acted in the same capacity for Tsuyee Pei, manager of the Bank of China in Shanghai, as Miss Li's introducer.

Among the guests present were the Sultan and Sultana of Johore; Sir Kynaston Studd, president of the Polytechnic, and Lady Studd; Sir James Lockhart, former High Commissioner to Weihaiwei, and Lady Lockhart; Sir Charles Addis, former chairman of the Hongkong and Shanghai Bank, London Committee, and Lady Addis; Sir John Chancellor, former High Commissioner and Commander-in-Chief in Palestine, and Lady Chancellor; Sir Richard and Lady Muriel Paget, Sir Robert and Lady Ho Tung, Sir Frederick Maze, Inspector-General Chinese Customs; and Lady Maze; Sir Arthur Salter, economic expert; Sir John Pratt, former Consul-General in Shanghai and Nanking; Lady Stabb, Dame Adelaide Anderson, former member of the Universities China Committee in London; D. G. M. Bernard, member of the London Committee of the Hongkong and Shanghai Banking Corporation, and Mrs. Bernard; Mrs. H. E. Morriss, wife of the chairman of the board of directors of the *North-China Daily News*, and Mrs. E. B. Macnaghten, wife of Brigadier-General Macnaghten, one of the directors of the British-American Tobacco Co. in Shanghai.

The couple will spend their honeymoon in Scotland. In September, they will leave for Shanghai with Mr. and Mrs. L. Ming, where Dr. Sze will establish his practice. Dr. Sze is on the staff of St. Thomas's hospital in London.

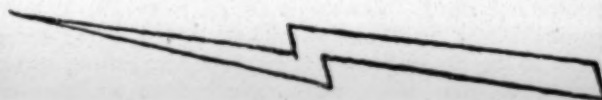
China Makes Payments Due to League in Installments

It was announced in Geneva July 5 that at the end of April, 1934, arrears of members of the League of Nations amounted to 25,000,000 francs, or 7½ per cent. of the entire budget of the League. One-third of the amount in arrears, at the end of 1930 was due by China. In that year, however, China concluded an arrangement with the Geneva body to be permitted to make up the amount due in arrears by a series of delayed payments over a period of twenty years. China, it was stated, has paid regularly since the establishment of the National Government in 1928.

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Who Controls the Hongkew District?

BY PAUL K. WHANG (汪仲芳)

DURING these very hot days when the mercury rises above 100 degrees F., we are apt to attribute all our wrong doings to the caprice of heat. This excuse, though plausible it may be, can not, however, be used to explain the mob violence participated in by the Japanese service men and civilians in the Hongkew district of the International Settlement on two consecutive occasions. On the night of June 27, a British sergeant of the Shanghai Municipal Police, in an attempt to take to the Police Station two Japanese sailors and one Chinese woman who were involved in a dispute on Chapoo Road, aroused the ire of the Japanese servicemen and civilians to such an extent that he was manhandled by the Japanese mob and was disarmed and forcefully detained by the Japanese Naval authorities at their Chapoo Road station for six hours.

Hardly was the feeling aroused by this incident permitted to be cooled down, then another unfortunate case happened in Quinsan Garden on the night of July 1. This time, two foreigners, an elderly Scotsman and a young Pole, were involved in a dispute with a Japanese sailor. As in the first case, the Japanese civilians came to the aid of their brother in arms and attacked the two foreigners. A great commotion was caused, and the municipal police were helpless in face of the situation. As before, the Japanese Naval authorities took these two victims to their Chapoo Road station and detained them for many hours before handing them over to the officers of the Hongkew Police Station.

By these two incidents, the Japanese Naval Landing Party and the Japanese community have once and again showed that they are in virtual control of the Hongkew district. They have taken the law into their own hands, and have challenged the police power of the S. M. C. over that section of the International Settlement. To Japanese wearing uniforms, besides claiming immunity from the municipal police, have arrested and detained the municipal guardian of peace and civilians of other nationalities at the dictate of their whims. In view of these developments, one will naturally ask: Who controls the Hongkew district, the S. M. C. or the Japanese Naval Landing Party and the Japanese community?

Japanese Claim Special Rights

According to the *China Press*, Lieutenant Commander Yoshitatsu Yasuda, staff officer of the Japanese Special Landing Party, was quoted as saying, "that under an agreement concluded by the S. M. P. in 1927 with the Japanese, no Japanese military men were to be taken to a municipal police station for questioning, and that letters to that effect signed by the Commissioner of Police would be produced to the investigation." Commander Yasuda also said that in view of this agreement, he felt sincerely that the Japanese had acted properly in the matter.

This agreement as alleged by Commander Yasuda can not be said as conferring upon the Japanese Naval Landing Party the right to arrest and detain either the municipal police or the civilians of other nationalities. But in view of the present Japanese high-handed measures in the Hongkew district, one must suspect that the S. M. C. has made even more concessions to the Japanese than disclosed in Yasuda's statement. It is deplorable indeed that the S. M. C. should keep silent for six days before answering this challenge. On July 3, six days after the first incident, a high official of the S. M. C. was quoted as saying that while an agreement had been signed with the various foreign forces in Shanghai in 1927 on the question of police rights as opposed to the duties of the municipal police, nothing had been agreed upon at that time which would give the Japanese servicemen extra privileges not enjoyed by other nations' garrisoning troops in this city.

If the Japanese servicemen were not given extra privileges not enjoyed by other nations' garrisoning troops in this city, then why should the S. M. C. permit them to run wild over a large section of the International Settlement even to the extent of disarming and detaining the municipal police? Can it be true that the S. M. C.

just like the Chinese Government, has surrendered themselves abjectly to the Japanese? The Council's inaction is tantamount to the act of giving away a large section of the International Settlement to the Japanese and leaving a large number of ratepayers of other nationalities to the mercy of Japanese rowdism. This state of affairs has naturally given rise to a sense of insecurity among the Chinese residents in the Hongkew district, who have been compelled to call emergency meetings and make representations to the municipal authorities.

Justice Feetham, in his report to the S. M. C. four years ago, unhesitatingly said, "The great concentration of wealth and business activities in the Settlement and its immediate vicinity is mainly due to the fact that the Settlement is an island of security, protected from the external violence, within the limits of which law and order are maintained, and personal rights, including rights of property, are respected and safeguarded."

Is it justifiable to call the Settlement an "island of security," when a large section of it has been overrun by the Japanese servicemen and civilians with the knowledge of the municipal authorities? Within the limits of that section, personal rights are no longer respected and safeguarded, and non-Japanese residents have been arrested and detained by the Japanese Naval Landing Party on a slight pretext. How can law and order be maintained, when the Japanese officers and civilians have taken the law into their own hands and have even disarmed and detained the municipal guardians of peace?

During the Sino-Japanese hostilities in February of 1932, it may be recalled, the Hongkew district was utilized by the Japanese force as a base of operations, and the municipal police were driven out of that area by the Japanese, who justified their action under the guise of "military expediency." For more than three months, the Japanese service men and ronins arrogated to themselves the right of administering that area, and caused a reign of terror among the Chinese residents, who were arrested and murdered in a wholesale fashion. A once very prosperous business section was thus turned into no man's land.

Hongkew Still Feels Effects of Japanese Onslaught

Although the Shanghai "war" was settled more than two years ago, business conditions in the Hongkew district have not yet returned to normalcy. The sense of insecurity has still firmly seized the Chinese residents, who have viewed with alarm the completion of a big Japanese barracks and the frequent sham battles staged by the Japanese marines and sailors. Many Chinese who had evacuated from the Hongkew district prior to the outbreak of Sino-Japanese hostilities have still not dared to return to their old homes. The land values in the Hongkew district remain at a low level as compared with that of other districts.

The frequent occurrence of Japanese mob violence has confirmed the fear prevailing among the Chinese residents in the Hongkew district that they can no longer trust the protection of their lives and properties to the Shanghai Municipal Council. As ratepayers, they have the right to expect a definite answer from the municipal authorities to this question: Who controls the Hongkew district? As public servants, the municipal authorities are duty-bound to answer this question unequivocally.

In one sense, it must be said that the present incidents are nothing but the premeditated action on the part of the Japanese Naval authorities and civilians to contest the right to police the Hongkew district. The Japanese have long considered the Hongkew district as their sphere of influence in this International Settlement, and have been desirous of converting it into a Japanese concession. Thus local Japanese residents are now said to be fomenting an organized agitation for a Japanese senior officer in the S. M. P. to be appointed to replace Capt. E. R. Kennedy as chief of "C" Division covering the Hongkew district. It is feared that before long the Japanese might set up their own organ of administering the Hongkew district and wipe out all the authority of the S. M. C.

The supineness of the S. M. C. is really incomprehensible. Why should the municipal authorities, who have showed such firm attitude in dealing with Chinese authorities over the extra-Settlement road questions, be so docile in face of the Japanese aggressions. This eager-to-please-the-Japanese attitude on the part of the Council can by no means satisfy the Japanese insatiable wish, but on the other hand will only whet their appetite for more. In catering to the Japanese, the Council has failed in its duties and responsibilities, and has been guilty of an unpardonable breach of trust.

If Shanghai owes its past prosperity to security as contended by Justice Feetham, it naturally follows that its future prospects are far from being encouraging, if law and order can not be maintained in one section of it. So long as this Japanese menace is present, the business men in this "island of security" can not carry on their business with ease and equanimity. It is no exaggeration to say that if this condition of uncertainty continues unsettled, the Chinese residents in the Hongkew district will have to make a general evacuation and this densely populated area will never regain its past glory.

Shanghai, July 8, 1934.

The Northwest Is China's Lifeline

BY CHEN FU-SHENG (陳福生)

THE Northwest of China is said to be a house of hidden treasures, an outlet for China's surplus population in coastal provinces, a matter of life and death to China. The reasons dictating Nanking's development of the Northwest may be grouped under (1) political considerations, (2) economic considerations, and (3) strategic considerations.

Unification of China

1. *Political Considerations.*—It is an undeniable fact that various parts of China are loosely connected. What with inconvenience of communication, what with lack of organized economic structure, China is united in appearance, not in reality. Some parts of China are politically quasi-independent of Nanking, for the simple reason that their economic relationships with Nanking are not close enough. Economic ties between different parts of China, especially between the Northwest and the other parts, must be tightened so as to strengthen their political bonds. The unification of China by reconstruction, though a Herculean task, is decidedly not an empty phrase; it is feasible.

Several imperialistic nations of the world cast covetous eyes on the rich resources of the Northwest of China. To students of the politics in the Far East, the situation of the Northwest is a second Northeastern situation before September 18, 1931. Disruptive forces are at work. The Northwest, hitherto loosely connected with other parts, may secede from the national union in some future time unless closer economic relationships are established. To develop the Northwest with a view to bringing it into closer relationship with other parts, is really a momentous issue.

Northwest a Treasure-House

2. *Economic Considerations.*—Many say that China is a poverty-stricken country. As a matter of fact, China is not so poor as she seems to be. She is comparable to a descendant of a man who had amassed a great fortune but had buried it. The descendant remains poor as long as he does not know how and where to dig out his ancestor's buried treasure. When he does dig it out, he will become as rich as Croesus. China will be a rich country once the existing resources in the Northwest and elsewhere, especially in the Northwest, are to be developed to the fullest possible extent.

Present-day China encounters an economic crisis of exceptional gravity rural bankruptcy and urban depression. As a result of internecine warfare and communist menace, thousands of laborers and peasants in Central, South and East China are thrown out of employment. Unless remedial measures are adopted, these destitute peasants and laborers naturally turn bandits or even precursors of a revolution. Economic instability creates political disturbance. The Northwest of China lies waste; it is uncultivated, unreclaimed, undeveloped. The unemployed laborers and peasants in Central, South and East China must be sent to the Northwest for settlement, for reclamation. To tide over economic crisis, to head off domestic discontent, vigorous efforts must be made for the development of the Northwest.

Besides, the Northwest is sparsely populated; it furnishes a home for the surplus population in the densely populated regions of China. The provinces of Shantung, Hopei, Kiangsu, etc., must pour millions of destitute farmers and laborers into the Northwest. Without the influx of these farmers and laborers, the Northwest cannot be developed rapidly.

The Crisis of 1935-1936

3. *Strategic Considerations.*—The strategic considerations arise out of the 1936 thesis of Japan. Japanese militarists take it that the crisis of Japan will come in 1935-1936, when a second worldwide conflagration very likely will break out, that she must needs make war preparations, and that she is under the necessity of claiming hegemony in Asia. Japanese military thought is dominated by the conception and the reality of the inevitability of Japan's decisive war with Soviet Russia or America and of Japan's subjugation of China. This explains why Japan has exerted strong pressure on China to recognize Manchukuo and to form an economic bloc with Japan and Manchukuo. What is Nanking's attitude toward Japan we do not know; but should Nanking ignore Japan's demands, Japan, in all probability, would throw discretion to the winds by embarking on a fresh military campaign. Not only North China but South China, perhaps, would be Japan's objectives. Were Nanking determined not to give up her birthright, not to barter her birthright for a mess of pottage, certainly, she would suffer acutely. She must have her headquarters removed to the Northwest, which is not exposed to Japan's naval or air attack. T. V. Soong, we remember, has said: "China nowadays resembles post-war Turkey. The New Turkey was born just after the Turkish Government had been removed from Constantinople to Angora. A new era will dawn for China if she will remove her political center to the Northwest, will devote her energy to development of the Northwest."

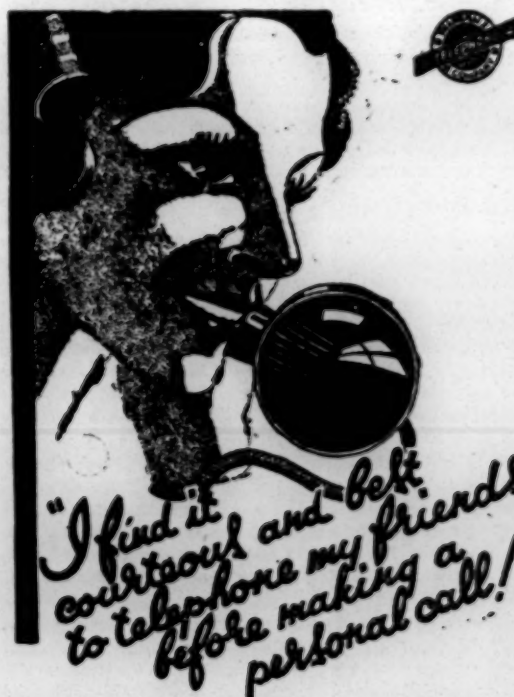
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Furthermore, the world is on the eve of another great war. For better or worse, China will be involved in it willy-nilly. Her coastal provinces and adjoining ones will be jeopardized. She has to entrench herself in the Northwest.

Development of Northwest

How will the economic resources in Northwest be developed? This is a problem receiving the closest attention of some Nanking authorities, notably T. V. Soong. The writer is not in a position to dwell on this subject, but so far as his observation goes, it seems to facilitate the communication of Northwest with other parts—a matter of utmost importance. The wide gap existing between Northwest and other parts can by no means be bridged until the communication between them is made easy. Scientific methods are to be introduced for development of various industries. Racial conflicts in Northwest must be amicably settled. In addition, the destitute farmers and laborers in the densely populated districts must be induced to settle in the Northwest so as to accelerate development of the Northwest.

It is learned with gratification that China has taken steps to reconstruct her great Northwest. It is earnestly hoped that the Northwest will be rebuilt within the shortest possible duration of time.

Foochow, June 24, 1934.

Chiang Kai-shek's Power Supreme, Japanese Correspondent Says

The Shanghai correspondent of the *Osaka Mainichi* telegraphed June 28 that the Peiping-Mukden through traffic solution was to be interpreted as meaning that the power of General Chiang Kai-shek, the actual head of the Nanking government, had been enormously enhanced and that the moderate Japan policy advocated by Wang Ching-wei and Huang Fu is now being upheld by General Chiang in its entirety. At the same time, the so-called pro-Europe and America faction headed by T. V. Soong and Sun Fo will, this Japanese correspondent said, have to be rather quiet, at least for the time being.

This Japanese correspondent continued:—"From Nanking's standpoint, it is imperative for China to win the good-will of Japan at this moment, when General Chiang's anti-red maneuvers are about to be brought to a successful conclusion. To court Japan's enmity will not only intensify the chaos, but will undermine the Chiang regime. It is easy to see that General Chiang cannot afford to trifle with Japan now of all times. That is the main reason for his support of Wang and Huang, believe those in the know. Mr. Huang, who has stood pat on his conviction through thick and thin during the past year or so, has now been rewarded for his perseverance. If Nanking continues to follow its present course in its dealings with Japan from now on, the solution of other pending problems will be only a question of time, it is believed."

Changes in the Chinese diplomatic personnel in favor of a policy more favorable to the betterment of Sino-Japanese relations were predicted in a recent issue of the *Tokyo Asahi*, which stated that the authorities of the Japanese Foreign Office are watching closely the effect being produced by the present co-operation policy of the Japanese and Chinese Governments. W. W. Yen, Chinese Ambassador to Moscow, now on furlough, it was stated, would not return to his post. As regards Dr. Wellington Koo, Chinese Minister to France, who represented China at the League of Nations Assembly during debate of the Manchurian affair, pro-League elements in China were reported as maneuvering for his appointment as Foreign Minister. However, Japanese Foreign Office observers are inclined to rule out the possibility of Dr. Koo heading China's foreign administration, in view of the recently evinced attitude of the Nanking Government toward Japan.

Dr. W. W. Yen, Ambassador to Moscow, with his family, proceeded to Tsingtao during the week for a holiday. Dr. Yen in an interview said that he needed a rest on account of poor health. He will proceed later on to Nanking to see President Wang Ching-wei and to Nanchang to see General Chiang Kai-shek. The date for his return to Moscow has not yet been fixed, Dr. Yen added.

Dr. Wellington Koo, Chinese Minister to France, accompanied by Victor Hoo, Minister to Switzerland, Sze Chao-kwei, First Secretary of the Chinese Legation in Paris and Dr. Wu Lien-teh, Director of the Chinese National Quarantine Administration, arrived at Shanghai from Paris by the Italian mail liner *Gange* July 7. The Party was greeted at the wharf by a large group of Government officials and representatives of the various local public organizations. Dr. Koo in an interview said that the Governments of the various countries in Europe, are all much concerned over the events in the Far East, but they are optimistic to see that China is steadily achieving real unification. They express the hope that China will continue to improve her internal conditions, thereby facilitating settlement of the Far Eastern Problem. Dr. Koo further stated that the European countries are all friendly disposed toward China and they are also anxious to see that a Far Eastern crisis be averted. However,

Dr. Koo pointed out, the solution of the situation depends principally upon China's own efforts in unifying herself and presenting a united front. Dr. Koo later proceeded to Nanking to report to the Government.

In response to an invitation from the South-western Political Affairs Committee, Dr. Wang Chung-hui, Judge of the International Court at The Hague, who arrived in Hongkong last week from Europe, is proceeding to Canton to report to the South-western leaders on the international situation.

Interviewed in London July 6, Alfred Sze, Chinese Minister at Washington, stated that the United States has always understood the difficulties of China and sympathized with her. But, he added, while such sympathies should be appreciated, China must not rely upon foreign help to extricate herself from her present serious predicament.

Dr. Wu Lien-teh Says Dr. Rajchman Will Not Return This Year

Dr. Wu Lien-teh, director of the National Quarantine Service, returned to Shanghai last week after representing China at the meeting of the Health Committee in Geneva in May. In an interview Dr. Wu was questioned regarding Dr. Rajchman's return to China. He refrained from committing himself to a definite statement, but did admit that Dr. Rajchman would probably not return to China this year. He pointed out that though the latter's appointment as chief of the technical experts had expired after the one-year term, Dr. Rajchman would remain as health adviser to the Health Department until August of this year. The question of his reappointment to the latter post would not come up until then, Dr. Wu said.

Referring to the meeting of the Health Committee at Geneva, Dr. Wu said that one entire morning was devoted to discussions on China. Following Dr. Wu's report on plague in Shansi and Shansi, the League Committee decided to co-operate with China and establish a study centre at Lin Hsien in Shansi. Great improvement in the control of cholera was shown by Dr. Wu, especially in Shanghai where the mortality from this disease had been reduced to low record thanks mainly to mass inoculation and early and efficient hospitalization. Dr. Wu stated that all the League delegates congratulated China on having accomplished so much in the short period of three years. Incidentally Dr. Wu said that birth control is an urgent national problem in China.

Howard A. Smith, American Missionary, Is Released by Szechuen Bandits

Acting upon instructions from the State Department at Washington, E. O. Clubb, Vice Consul at Hankow, proceeded by airplane into Szechuen July 6 with a view to assisting in attempts to procure the release of the Rev. Howard A. Smith, held by bandits since May 3, when marauders commanded by the notorious Ho Lung swooped down upon the city of Penghui. Mr. Smith, of the Christian and Missionary Alliance Mission, was being held for \$100,000 ransom, plus large stocks of medicinal supplies. The release of Mr. Smith was later reported, and confirmed by the American authorities at Hankow July 10.

The Shensi Provincial Government has telegraphed to the Shansi and Suiyuan authorities stating that bandits are now active in certain districts in northern Shensi and that foreigners should not be allowed to visit northern Shensi pending the extermination of the bandits.

Li Ping-hang Discusses Factory Inspection with Lord Stanhope

Li Ping-hang, the Chinese delegate to the International Labor Conference, talked with Lord Stanhope, Parliamentary Under-Secretary of Foreign Affairs, in London July 9, regarding the enforcement of the Chinese factory inspection act in Shanghai. Lord Stanhope told Mr. Li that he viewed the Chinese proposal with much sympathy, but that it was essentially a matter for discussion between local administrations.

Communications Ministry Relaxes Rules on Marine Officer Examinations

A ruling in favor of experienced shipping officers has been made by the Ministry of Communications in regard to the examinations of the Ministry for the certification of marine officers. According to this concession, marine officers with the following qualifications will be exempted from the examinations:—Captains or chief engineers who have received certificates from the Ministry and who have fulfilled the duties specified in the certificates for at least five years and captains or chief engineers who have not yet secured certificates but who have been in active service in such capacities for at least ten years.

Soviets Accuse Japanese Colonel of Trying to Steal Documents

Official reports alleging an attempt by a high Japanese military officer to steal documents from the Soviet Consulate-General at Heiho, Manchuria, were received in Moscow July 9. Colonel Miyazake, chief of the Japanese Military Mission to Heiho, also known as Sakhalian, attempted to purloin the documents during a dinner given in his honor at the Soviet Consulate there, the report charged. A charwoman summoned a Soviet official, who halted Colonel Miyazake and took from him the documents removed from the desk, the report said, and then allowed the Japanese officer to leave.

According to a report from Sakhalian (Heiho) situated across the Amur river from Blagoveshensk, on June 28 the Japanese garrison troops there suddenly and without any warning opened machine-gun and rifle fire near the building of the Soviet consulate. This firing continued for some time. The Soviet Consul lodged a verbal protest with the Manchurian authorities.

Soviets Protest Against Violation of Soviet Territory by Japanese

A protest was lodged by the Soviets July 8 against the cruising of the Japanese torpedo-boat *Numakazi* in Soviet territorial waters on June 27; against the unlawful landing, without the permission of Soviet authorities, of 65 officers and men of the Japanese military tanker *Erimo* on Sakhalin island on June 28; and against the crossing of Soviet frontier by Japanese air planes in the Handas area on June 29.

Soviet Foreign Trade Shows Huge Decrease

According to the data of the Institute of Monopoly of Foreign Trade, the total turnover of foreign trade of the U.S.S.R. for the first quarter of 1934 amounted to 134,477,000 roubles, as against 218,616,000 roubles, in the fourth quarter of 1933. Soviet export in the first quarter of 1934 was 24 per cent lower than in the first quarter of 1933, and 39 per cent below the export figure for the fourth quarter of 1933. The imports were by 44.2 per cent lower than in first quarter of 1933 and by 37.6 per cent lower than those in the last quarter of 1933. The excess of exports over imports amounted to 35,513,000 roubles. Soviet exports to U.S.A., Holland, Denmark, Norway, Poland, Finland and Sweden have comparatively increased, while imports from countries of Central and South America, Britain, France, Belgium, Denmark, Norway, Poland and Sweden were also on the increase. Trade with Germany has particularly slumped especially as regards Soviet imports from Germany.

Nearly 35,000 tourists from 23 countries will visit the USSR this summer, according to Intourist. A special train with 200 prominent American financiers, industrialists and public men arrived in Moscow this week. They visited Magnitogorsk, Chelyabinsk, Sverdlovsk and other enterprises in the Soviet Union.

Foreign citizens have been granted permission to study at Soviet universities. Such students, if they desire, may pass their admission tests in their own languages.

One of the largest sugar refineries in the USSR, capable of producing 1,650 centners of sugar (a centner is 220 lbs) daily, will be put into operation in Nikolsk-Ussurisk at the end of this year.

Construction work on a large chemical-metallurgical works has been started in Urals, where raw material is abundant. The first section of the works, comprising a copper-smelting plant, when completed, will turn out 50,000 tons of copper a year.

As the result of a fire (or explosion) which occurred at the Frunze Chemical Works last week, three employees of the works received burns from chemicals liquids, two of whom died.

A number of expeditions to study Sakhalin Island are being organized in Habarovsk.

Soviet-American Non-Aggression Pact Reports Denied

In connection with a report published in the American press, alleging that the United States has declined the proposal made by Litvinov regarding the conclusion of a Soviet-American non-aggression pact, *Tass* has received from official circles the information that Litvinov has never made any proposal regarding a bilateral Soviet-American non-aggression pact, either in Washington, or in Moscow.

L'Homme Libre (Paris) editorially expresses great satisfaction in connection with the signing of the Franco-Soviet trade agreement. "All indications," writes the newspaper, "give us reason to hope that the Soviet undertakings with regard to the amount of orders will be fulfilled and even exceeded. The advantages accruing to French industry from the considerable expansion of Franco-Soviet trade relations, are evident. The U.S.S.R. is now the only large market in Europe. For a long time we were committing a mistake by not recognizing this fact. Now we realise how detrimental this error was to the interests of our industry."



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All applications and inquiries should be addressed to the Director at 1954 Avenue Haig, Shanghai.

Construction of Yushan-Pinghsiang Railway Line Is Begun

A formal ceremony took place July 8 at Yushan, the present terminus of the Hangchow-Yushan Railway, to mark the commencement of construction work on the Yushan-Pinghsiang Railway. The projected line will traverse all principal cities in Kiangsi and will link up Yushan on the Che-kiang-Kiangsi border with the rich coal-producing center, Ping-hsiang, in Hunan province. The first section on the line between Yushan and Nanchang, 300 kilometers in length, will be completed within two years. The new line is financed by the First Reconstruction Loan and the Yuping Railway Loan floated by the Ministry of Railways to the amount of \$24,000,000.

The Chinese Purchasing Commissioner placed orders July 5 in the United Kingdom for 30,000 tons of steel rails for use in construction of the Canton-Hankow Railway. The contracts call for payments totalling \$240,000.

The total revenue derived from the third Railway Products Exhibition held in Peiping last month is \$505,632, according to a report of the committee in charge of the exhibition.

Train service on the newly completed Tungkwang-Weinan extension of the Lung-Hai Railway in northeastern Shensi, was inaugurated July 2.

The Ministry of Railways is negotiating with the Chinese banks in Shanghai for a loan of \$300,000 to finance the re-building of the Yellow River bridge on the Peiping-Hankow Railway.

Prisoners to Build Roads

The Ministry of Justice has drawn up measures for the construction of highways by prisoners. It is said that the first road to be built in Kiangsu by the prisoners will be a motor highway around Kating.

The regulations governing the employment of convict labor for land reclamation having been approved by the Legislative Yuan, measures for their enforcement are being devised by the Ministry of Judicial Administration.

The Shantung provincial authorities are doing everything possible to encourage road construction in the province. The first road completed is between Taierhchuang in Southern Shantung and Weihsien on the Kiaochow-Tsinan Railway. Construction on the road was started last June and it took one year to complete. The road covers a distance of 720 Chinese li and links up the Tsin-Pu Railway and the Kiao-Tsi Line by the overland route.

Construction of the highway leading from Nanfeng, eastern Kiangsi, eastwards to Taining, western Fukien, having been completed by the 88th Division under Lieut.-General Sun Yuan-liang, the road was formally opened to traffic July 5.

The Ministry of Communications has decided to establish an Engineering Bureau to take charge of the projected 9-provinces long-distance telephone network. Wang Chih-cheng, Director of the Engineering Bureau for the Chefoo-Tsinan Telephone Service, will be transferred as Director of the new bureau.

Additional lines for direct long-distance telephone operation between Nanking and Shanghai will be ready for service July 15, it is announced from Nanking.

Plans for the installation of long-distance telephone services to link up Shanghai, Shaohsing and Ningpo are being jointly mapped out by the Ministry of Communications and the Che-kiang Provincial Reconstruction Committee.

Ministry of Finance Seeks to Readjust Foreign Loans

The Ministry of Finance is conducting investigations into the various foreign loans with a view to their readjustment, Li Tang, Secretary-General of the Ministry, stated in an interview at Nanking last week. On the basis of the investigations, measures for the readjustment of the outstanding foreign loans will be formulated and submitted to the Executive Yuan for approval, he said. A set of measures for the enforcement of the inheritance tax, Mr. Li continued, has been drafted by the Revenue Department. Whether the tax will be collected directly by the Ministry or by a special organ however, will be determined after the return of Dr. H. H. Kung, Minister of Finance, to the Capital.

In accordance with the request of the Peiping City Chamber of Commerce, the National Associated Chambers of Commerce have despatched a petition to the National Government, the Executive Yuan and the Legislative Yuan for the early enactment of a Stamp Tax Law.

Liu Shou-chung, member of the Central Executive Committee, is making a tour of the North-western provinces. His itinerary includes Chengchow, central Honan, Taiyuan, provincial capital of Shansi, and Suivuan, Ninghsia and Inner Mongolia. He is inspecting industrial and commercial enterprises, mineral resources and reclamation work.

The second meeting of the Hopei Provincial Mining Conference was held in Tientsin, July 5 under the chairmanship of Shih Ching-huan, Provincial Commissioner of Reconstruction.

Central Bank to Increase Capital

In order to expand the business of the Central Bank of China, the Ministry of Finance has decided to increase the capital of the

Central Bank from \$20,000,000 to \$100,000,000. As soon as this extra sum has been appropriated the Central Bank will establish several additional offices in the province. It is understood that the branches to be established immediately will be those at Dairen, Chinghai and Shansi.

Preparations for the organization of the Farmers and Merchants' Bank, established under the auspices of the Ministry of Industries, have been completed.

The new Chinese National Budget was adopted on July 4 by the Central Political Council. The annual revenue is put at \$777,302,228. The *Sin Wen Pao* says the total expenditure was not announced as the figures for diplomatic funds and military expenses were not given in the list given the press.

Flour Control Committee to Be Established

The Ministries of Finance and Industry are studying plans to form a Flour Control Committee, which would have similar functions as the Cotton Control Committee which has been in operation for several months. A lower freight rate for wheat on all national railway lines and steamers and the enforcement of a higher price level on native flour are features of the plan.

It is learnt that Yung Tsung-ching, the cotton and flour magnate of Shanghai and Wusih, has petitioned the Central authorities for financial assistance to maintain his chain of cotton and flour mills. Mr. Yung and his brother are the sole owners of nine cotton and seven flour mills and other enterprises in different parts of the country, and bear unlimited liability for them. Due to the general economic depression, their mills are facing financial difficulties. Mr. Yung has petitioned the Executive Yuan, the Ministries of Industry and Finance, and the Cotton Control Committee of the National Economic Council for aid. In compliance with this petition, the Executive Yuan has instructed the Ministries of Industry and Finance, the Internal Revenue Administration and the Cotton Control Committee to appoint representatives to confer with Mr. Yung and his chief creditors, the Bank of China and the Shanghai Commercial and Savings Bank—on measures for the rehabilitation of the various cotton and flour mills.

It is understood that a special committee will be appointed by the Executive Yuan to attend to the readjustment. The Central authorities, it is learnt, will investigate not only the accounts of all the cotton and flour mills involved but also the personal properties of Mr. Yung. In view of the fact that Mr. Yung's mills substantially affect the economic situation of the country—their annual output being 400,000 bales of cotton and 4,000,000 bags of flour, and their employees totalling several hundred thousand—the Government has decided on readjustment that will ensure their being operated on modern rationalized methods. A representative of the Cotton Control Committee will cooperate with the general manager in improving the internal organization of the factories.

Wood Oil Production to Be Improved

The Ministry of Industry has formulated a set of concrete plans for improving tung oil (wood oil) production in China.

Direct radio communications between China and Italy is scheduled to be inaugurated middle of this month.

Negotiations between China and Great Britain for the revision of the Canton-Kowloon Railway agreement commenced July 1 at Hongkong. The Chinese are seeking a larger share in the revenue of the line than they have received hitherto, on the ground that the Chinese section is two-thirds of the entire line.

At the request of T. V. Soong, the National Economic Commission has decided to appropriate \$500,000 for the relief of the rural districts in the North-west. Mr. Soong has made a personal contribution of \$500,000 and, through his influence, various Chinese banks in Shanghai have agreed to set aside \$1,000,000 for rural rehabilitation.

The Peiping *Chen Pao* July 4 published an editorial urging the Government to insist on the establishing of standards of production and the careful inspection of all Chinese products before exportation so as to establish confidence in Chinese products abroad and thus increase foreign trade.

To facilitate factory inspection, the Central Bureau for Factory Inspection has decided to demarcate the country into six areas, namely, Kiangru-Chekiang-Anhui, Hopei-Shantung-Honan, Shansi-Suiyuan, Hunan-Hupeh, Szechuan-Yunnan, and Kwangtung-Kwangsi. A factory inspection office will be established in each area.

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Chinese Industry Subsidized at Expense of Peasant?

In an article on China and silver in the *Manchester Guardian* of July 28, Sir Arthur Salter said he thought it was to be regretted that China's influence had not been exercised strongly, not for an artificial appreciation of silver, but for its stability. He said China's interest entitled her to a dominant influence in silver policy. She escaped the world depression in 1930 and 1931 because of silver falling. Since the yen and sterling went off gold, silver had been going up and the position had been reversed and China's exports had declined, giving her a serious adverse balance of trade and necessitating the export of treasure. The evil, continued Sir Arthur, had been accentuated by the drain of silver from the interior of China to Shanghai,

owing to the general insecurity up-country. Thus a shortage of currency was threatened with a further decline in prices. China, he said, must restore internal conditions to enable foreign capital again to flow freely to China. W. M. Wiggins, chairman of the Monetary Policy Committee of the Federation of Cotton Spinners' Association strongly refuted Sir Arthur's assertions in a letter to the *Manchester Guardian*, July 5. Mr. Wiggins said that while Sir Arthur protested against the artificial raising of silver, the truth is that all governments had artificially depressed silver by demonetizing and forcing unwanted stocks on the world. The fall in silver, he continued, has resulted in a flight to gold for hoarding. Consequently, it had intensified the fall in commodity prices. This has added to the taxpayer's burden, particularly in India, and has subsidized Chinese industrialists at the expense of peasants. Lancashire, he added, has already felt the benefit of the rise in silver from twelve to twenty pence.

Greater Shanghai Municipal Loan of \$3,500,- 000 Being Floated

For the improvement of the roads and bridges in Chapei and Nantao, construction of a public recreation ground, museum, library, hospital, and slaughter house, and development of other municipal enterprises in the Civic Center, the Nanking Government authorized the flotation on June 30, of a 7 per cent 23rd Year (1934) Greater Shanghai Municipal Loan of \$3,500,000. A contract has been signed by the City Government of Greater Shanghai with Swan, Culbertson & Fritz (dealers in investment securities) in Shanghai for the underwriting of the loan. The loan will bear interest at seven per cent per annum and will be issued at 98. Interest will be paid semi-annually on June 30 and December 31. Commencing with June of the 24th Year of the Republic (1935), redemption of principal will be made by annual drawings, to be completed within a period of twelve years i.e. by June 30 of the 35th year of the Republic (1946).

China Finance Development Corporation Formally Inaugurated

The China Finance Development Corporation was formally inaugurated July 4. The corporation was organized under the auspices of Dr. H. H. Kung and T. V. Soong with an initial capital of \$10,000,000. The office of the corporation will be in the Continental Emporium and T. L. Soong, general manager of the China Manufacturers' Bank, will be the managing director of the new concern.

A meeting of the Board of Directors of the China Development Finance Corporation was held July 8 under the chairmanship of Tsu-yei Pei, and attended by over 20 members. After the meeting was called to order, Mr. Pei announced that in accordance with the provisions of the Company Law, the Ministry of Finance has authorized the Corporation to increase the present membership of its Board of Directors from 8 to 12 persons, Messrs. Chen Chien-an, Hu Pi-kiang, Sing-loh Hsu and Li Ming were elected additional members of the Board of Directors.

Singapore Chinese Plan Bank to Develop Fukien

It is reported from Singapore that a number of influential Chinese in the Straits have started a movement to raise the sum of \$1,000,000 to organize a bank for the development of Southern Fukien. Another Chinese group in Penang, it is stated, is planning to invest from \$3,000,000 to \$5,000,000 for the opening of a trolley-bus service in Nanking, but this could not be confirmed. It is understood that the above financial schemes are the direct results of efforts made in Malaya by Chen Kung-po, Minister of Industry in the Nanking Government, who recently paid an extended visit to the South Seas.

Germany and England Sign Agreement on Debt Question

Chancellor of the Exchequer Chamberlain announced in the House of Commons July 3 that an agreement regarding the German debt question had been signed. The agreement covers a period of six months as from July 1, 1934, and it provides that during this period the German Government will provide sterling funds at the Bank of England for the purchase, at their full nominal value, of all coupons under the Dawes and Young loans. This applies to coupons in beneficial ownership of British owners on June 15, 1934.

A furore has been caused in Germany following the publication by the *Voelkische Beobachter*, official Nazi organ, of a novel attempting to prove that Soviet Russia is being gripped by a reign of terror.

Communists Riot in Amsterdam

Amsterdam (Holland) was the scene of a series of riots during the latter part of last week. Seven persons were killed and more than 50 wounded when the police, supported by army detachments, started operations. The Communist paper *Tribuna*, which fomented the riot, was suppressed by the police.

YOUR LIFE DEPENDS UPON A PUMP---

The Minute It Stops Pumping You Die.

This little pump that is so vital to your life is only about 1/25 the size of an ordinary pump used to pump water from a well, yet it can pump blood faster than a strong, husky man can pump water from a well. And blood is *seven times as sticky as water*, therefore ever so much harder to pump.

This little pump—the most wonderful pump in the world—is your heart. It is your most vital organ; and the hardest worker.

This marvellous piece of human power-machinery keeps your blood stream in motion. It pumps the red blood corpuscles, loaded with life-giving oxygen, from the lungs to your millions of body cells. After unloading this oxygen, the red blood corpuscles load up with poisonous carbon dioxide gas forever being generated in the system, and the heart pumps this to the lungs to be breathed out of the system. These red blood corpuscles also carry nutriment from the food digested in the intestines, and the heart pumps this nutriment to your millions of body cells. If your heart were to stop beating for a few seconds you would die for lack of oxygen.

A Curious Thing About Your R.B.C.s

Your red blood corpuscles (R.B.C.s) cannot carry their full loads of life-giving oxygen throughout your body or fully remove the carbon dioxide gas unless they are rich in a wonderful substance called haemoglobin, which has the power to absorb the oxygen and the carbon dioxide gas. When your haemoglobin is low, your heart has a thin, weak blood stream to pump instead of a rich, red one. You cannot get the full benefit out of this marvellous pump until you enrich your blood with haemoglobin.

What a Clinic of 40 People Showed

If your haemoglobin is only a little below normal you will not recognize anything much wrong

except perhaps that you tire more easily and don't feel right up to the mark. If your haemoglobin is low enough to need correcting you will have symptoms such as—poor appetite, indigestion, constipation, pale or muddy complexion, lack of strength and vigour, breathlessness, chronic tired-out feeling, nervousness.

If you have these symptoms you can obtain the same preparation that was given to a clinic of 40 students, Dr. Williams' Pink Pills, and which increased the haemoglobin in 38 out of 40 cases—a 95 per cent. record. In some cases this preparation increased the haemoglobin as much as 15, 16, 17, 20 and 22 per cent, in the short test period of 4 to 5 weeks. Ten per cent. would have been considered a good increase.

The student members of the clinic reported a great improvement in energy, pep, strength—a new sense of well being—after their haemoglobin had been increased.

One Month's Treatment Often Sufficient

In many cases, one month's treatment with Dr. Williams' Pink Pills is all that is necessary to restore the haemoglobin to normal. If not, the improvement will be so marked—you will feel so much peppier, stronger, more vigorous—more like working, more like doing things and having a good time—that you will need no urging to continue the treatment until completely restored to normal.

Be Fair To Your Heart

Remember, Nature gave you the most wonderful pump in the world for the purpose of pumping blood rich in haemoglobin to your lungs, brain, stomach, liver, intestines—every organ and cell of your body. You are not treating your heart fairly if you keep on letting it pump thin, weak blood throughout your body.

Dr. Williams' Pink Pills are obtainable from chemists everywhere.

Judge Helmick Was Once a Newspaper Man

Milton J. Helmick, the recently appointed Judge of the U. S. Court for China, was at one time a newspaperman, having worked during his younger years on the *Denver Times* and *Denver Republican*. He is 48 years of age and is a native of Colorado. He comes here from the Second Judicial District of New Mexico, where he served for nine years. During his service there he disposed of 6,500 civil and 1500 criminal cases, in addition to incidental routine work, interlocutory orders, rulings on motions and demurrers, etc. Adolphe Goldberg, writing in the *China Press* of July 4, is authority for the statement that Judge Helmick eloped with Mrs. Helmick in January, 1916, and was married at El Paso, Texas. Mr. Goldberg comments: "The judge had however a perfectly good explanation for his elopement. (We would like to hear what Mrs. Helmick has to say on the matter.) He told us plainly, 'We eloped although we had no reason for it, just preferred to do it that way.' Many couples upon reading this will probably want to be married by the judge, the brides will always picture him as being very romantic." Upon being asked what his impressions of Shanghai in general were, Judge Helmick said, "An astonishing example of human ingenuity and adaptability in meeting complicated conditions—a gorgeous fantasy which I still can scarcely believe is real."

"American Courts are much alike everywhere," the judge said in answer to a question. "A spectator in the United States Court for China who doesn't look out of the window, might well imagine himself in a Federal Court in Maine, Illinois, or in New Mexico, so far as procedure, atmosphere, functions of attorneys and other court etiquette is concerned!"

"Of course subject matter of a case might be very strange," the judge pointed out, "After all, judicial functions remains pretty constant." The judge related that in New Mexico he was also accustomed to having different races and nationalities in Court and to the use of interpreters. "I once tried a case with a Spanish interpreter for the jury and a Navajo interpreter for the witnesses," he added.

Judge Helmick is a man of liberal views. He mentioned in one interview that to call the original inhabitants of New Mexico "Mexicans" is really a misnomer, as they have long since become American citizens. They preferred to be called Spanish-Americans. "It is really we (Americans) who are the interlopers," Judge Helmick said in a recent conversation. "The Spanish-Americans have been there for several hundred years, whereas American jurisdiction is of comparatively recent date."



Milton J. Helmick, Judge of the U.S. Court for China

Significance of the Northwestern Antiquities Exhibition

BY HUANG CHING-SHU (黃慶樞)

The Northwestern Antiquities Exhibition, which was held at Tuan Cheng, the circular "castle" at the entrance of the Pei Hai Park in Peiping from May 25 to May 27 included a great variety of bronze articles, pottery, Buddhist manuscripts, sculptures and paintings, as well as the earliest type of Chinese writing brush and "bamboo books." All these articles were unearthed in the numerous excavations undertaken by the scientific expeditions in the various parts of the Northwest during the past several years.

From the standpoint of historical interest, the most important exhibits contributed by the Northwestern Scientific Expedition are a writing brush of the Han dynasty and two "bamboo books" of the Chou dynasty. A perusal of these articles would impress one with the idea that they are of great historical value. The writing brush is quite different from the one used nowadays. The handle of it is made of strips of wood bound together with threads to form a cylinder. The hairs forming the point of the brush are very crude but are still in place. According to investigations, this is the earliest known example of the writing brush, that forms the basis of Chinese calligraphic art.

The "bamboo books" are made of wooden strips loosely joined together with hemp strings. On each of the narrow wooden strips are written a line of Chinese characters; the entire book consists of a total of 76 pieces. This is one of the most complete accounts which was written by garrison officers of the Han dynasty about military provisions far off in Central Asia, and which is being preserved to the present day. All the characters in the account, which are of the old style, have been translated into the modern characters by

specialists, and Professor Ma Heng, Director of the Palace Museum, has written explanatory note about it, which is generally considered of great significance in the study of the earliest style and construction of books.

Among this group of relics contributed by the Northwestern Scientific Expedition are a good selection of pottery pieces, stone rubbings, a series of Buddhist wall-paintings and a number of bone fragments of the Neo-Stone Age, which were excavated by the expedition in Sinkiang.

For the study of the evolution of Chinese writing, both the Historical Museum and the Peiping Metropolitan Library placed a great number of bronze seals, rubbings from stone inscriptions and Buddhist manuscripts of both Chinese and Tangut languages. Most of these were excavated from the Tun Huang caves in Kansu some years ago. In addition to these there were shown two old maps; one, with colors, depicts Lhasa, capital city of Tibet, of its grandeur, while the other shows the entire territory of China's Northwest in ancient days. In point of archaeological interest, the most important relics on exhibit were doubtlessly the bronze utensils unearthed in Shou Hsien in Anhwei province in 1933. There were altogether ten vessels of the type in this group, which were used for holding food, grain and wine at state worship.

A series of weights and measures used in the time of Hsin Mang, the usurper of Wang Mang, unearthed in Tien Shiu Hsien, Kansu some years ago, were among the exhibits.

The significance of the exhibition, in the words of a prominent Chinese archaeologist, is not in the mere display of a big collection of relics which are of profound historical value. It is the occasion which aims to acquaint the public with such wonderful finds by painstaking specialists, which will provide abundant material for research on the problem of the origin of Chinese civilization.

Canton Continues Expansion of Air Force

According to a recent dispatch from Canton, General Chen Chi-tang has placed an order for two hundred planes in several countries in Europe. Canton to-day has six squadrons of air force consisting of 160 planes. Out of this number some are of rather old types, and as the present number of machines is considered to be far from sufficient to meet requirements, Chen Chi-tang has telegraphed to General Huang Kwang-jui, captain of the Canton Aviation Force, who is now in Europe on an inspection trip, ordering him to sign up with several British, American and German manufacturers for two hundred new planes of the pursuit and bombing types. The cost is estimated at something around \$10,000,000 and General Chen has already remitted \$4,000,000 to meet the first payment of the newly purchased planes. It is understood that the first batch of planes reaching Canton will come from Germany.

The Ministry of Railways announced July 5, that the contributions to the "Airplane Fund" collected by the Ministry to that date amounted to \$878,358.51. The Peiping-Hankow Railway Administration heads the list with \$110,000. The fund with the interest accrued has been handed over to the National Commission for the Promotion of Aviation.

Regulations restricting passengers travelling on the airplane services are being worked out by the Ministry of Communications.

Two new airplanes have been contributed to the Kwangsi Provincial Government by Lu Chi-hua, an overseas Chinese in the Netherlands East Indies, according to a message received in Canton July 9. Each airplane costs over \$100,000.

By order of General Ho Chien, Chairman of Hunan, the Aviation Department of General Ho's headquarters has been abolished. Henceforward the air force in Hunan will be directly subject to the control of the Central Government. The air forces in other provinces are likely to take similar action shortly.

According to a Geneva message, Mrs. Cheng Yen-fen, wife of the Chinese Secretary of the League of Nations, has successfully passed the examination in aeronautics and has consequently obtained a pilot's license from the Swiss Government.

A passenger-plane belonging to the Japan Air Transportation Company crashed near Chochin, Chusei Hokudo, Korea recently. The machine fell on a cow that was grazing. Pilot Kamei was seriously injured and the mechanic was slightly injured. The cow was killed.

Two seaplanes of the Sasebo Naval Base and four planes from the aircraft carrier *Natori* left the Sasebo Base July 6 on a long distance flight to Harbin.

Funds for the start and maintenance of the Japan-Formosa line will be asked in the forthcoming budget by the Government of Formosa and the Communications Ministry. The trial flight will be held July 26 to July 20, a Fokker 7.3-Model, eight-seater passenger ship being used. The airplane will be exceptionally well equipped for the 930-mile flight. It will have a Marconi short-wave radio set with a range of 900 miles, which will communicate with wireless stations at Fukuoka, Kagoshima, Naha and Taihoku. A collapsible lifeboat, signalling pistol, rockets and an abundant supply of provisions will be carried. Tanks will be fitted for a nine-hour flight.

The Moscow Glider factory is building a series of gliders for flights in tow of airplanes, but equipped also with subsidiary engines which will enable them to make long independent flights after being uncoupled.

Plans to rise higher into the stratosphere than man has even been before—25,000 meters—were being made at Moscow, July 3, by a committee of scientists representing the Soviet Society for Aviation and Chemical Defence.

Work has just been completed in the United States on a new compass to be installed on commercial planes which will indicate the position of any airport which the pilot wishes to ascertain. The new invention, it was stated, will replace certain navigating instruments now in use by commercial pilots.

A definite possibility that the United States might establish an air force outpost in Alaska was seen by observers in Washington June 26 as the Navy Department announced plans for a flight by a squadron of 12 navy patrol planes from San Diego to Dutch Harbor, in the Aleutians, during July. The flight was scheduled to start July 12.

The German dirigible *Graf Zeppelin* returned to Friedrichshafen (Germany) July 7 from her third 1934 cruise to South America.

Fred Leong, Chinese student aviator, sustained a broken ankle and head injuries when he made a forced landing at a New York airport, in New York, July 10. The airplane was badly damaged in the crash.

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The public is hereby notified that in accordance with Government instructions

- (a) The English translation of Article I of the Regulations governing the Issuance of Consular Invoices is to be amended to read "all merchandise imported into China valued above two hundred dollars Chinese currency shall be accompanied with Consular invoices. . . .", in order to make it accord with the Chinese version.
- (b) If the total f. o. b. value of one consignment of goods imported by one steamer for one consignee is above \$200 Chinese currency, and if this consignment is covered by two or more bills of lading each issued in respect of goods valued at or below \$200 Chinese currency, the shipment in question must be covered by one Consular invoice.

H. O. TONG,
Superintendent of Customs.

A. C. E. BRAUD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 10th July, 1934.

Japan's Trade with China

The following figures show Japan's trade with China during the four months ended April 30, 1933 and 1934.

	Exports from Japan		Imports into Japan		Total Imports and Exports	
	Jan.-April	Jan.-April	Jan.-April	Jan.-April	Jan.-April	Jan.-April
	1934	1933	1934	1933	1934	1933
	Yen	Yen	Yen	Yen	Yen	Yen
Manchukuo	26,160,000	22,051,000	61,675,000	58,981,000	87,835,000	81,032,000
China	32,672,000	41,029,000	36,837,000	32,299,000	69,509,000	73,328,000
Kwangtung Province	79,643,000	62,190,000	6,936,000	6,038,000	86,579,000	78,228,000
Hongkong	8,644,000	7,312,000	577,000	669,000	9,221,000	7,981,000
Total	147,119,000	132,582,000	106,025,000	97,987,000	253,144,000	240,569,000

BY MONTHS	Exports		Imports	
	1934	1933	1934	1933
	Yen	Yen	Yen	Yen
January	26,205,000	24,332,000	25,956,000	28,741,000
February	33,937,000	32,263,000	26,427,000	27,019,000
March	43,673,000	40,919,000	27,932,000	25,528,000
April	43,304,000	35,068,000	25,710,000	16,699,000
Total	147,119,000	132,582,000	106,025,000	97,987,000

Japan's total foreign trade for the three months ended March 1934 and 1933 was as follows:—

	1934	1933
	Yen	Yen
Imports	528,346,000	541,553,000
Exports	462,681,000	371,245,000
Total	991,027,000	912,798,000

(British Chamber of Commerce Journal, June, 1934).

Call of Japanese Warships at Batavia Causes Sensation

The Japanese warships *Izumo* and *Yakumo* stopped at Batavia June 30 on their way back to Japan after a cruise in European waters. The arrival of the Japanese war vessels caused an almost unbelievable sensation in the Dutch East Indian capital, even leading to rumors of impending war with Japan. Both among the Dutch and the natives, war rumors were circulated, the former manifesting great apprehension lest the natives side with Japan in the event of an actual conflict. So strong is this fear that some Dutch settlers are reportedly withdrawing from the interior to the cities. One of the leading newspapers of the capital charged editorially that Japan is taking advantage of the trade parley in order to spread discontent among the native population and urged the immediate discontinuance of the trade negotiations.

Having finished their investigations, the Commission of experts of the Japan-Netherlands Trade Conference at Batavia decided to dissolve at a meeting July 9. A joint report on the proceedings will be made public, for reference later on.

El Salvador, the Central American Republic which recently recognized Manchukuo, is reported to be preparing to impose a 200 per cent tariff on Japanese goods, because Japan "does not buy the Salvadorean coffee."

Indians and Japanese Combine to Establish Factory in Calcutta

A combination of Indian and Japanese capitalists has opened an artificial silk cloth factory in Calcutta so as to circumvent the recent 100 per cent duty imposed on same. The thread is imported from Japan, paying 30 per cent duty.

The docks at Cristobal (Panama Canal Zone) are glutted with merchandise which has been refused admittance to Jamaica, in the British West Indies, owing to the British embargo. Panama, already flooded with Japanese products, has doubled the consular duties on these goods rejected from Jamaica.

The Shanghai *Min Pao* of July 2 stated that according to investigations made the total Japanese investment in Shanghai has reached \$321,557,300. Of this sum about one-third is invested in the textile industry.

State Troops Guard San Francisco Water Front

Determined to open the port of San Francisco, which had been practically closed for a month owing to the longshoremen's strike, the Governor of California July 5 ordered out the National Guard to assist the San Francisco police in clearing the waterfront of the strikers and providing protection for volunteer workers. Several persons were killed and 52 were sent to hospital, mostly with gunshot wounds, as the result of the ensuing encounter. Seeing that they were helpless against the state and city forces the longshoremen have changed their tactics and are now agitating for a general city-wide strike which would include street car men, teamsters and utilities workmen.

The teamsters in San Francisco have voted to go on a strike out of sympathy with the longshoremen, and threats of a general walk-out in Seattle, Portland and other coast cities have been intensified. In Seattle a policeman was killed July 9 during a clash with striking longshoremen.

John D. Rockefeller, the founder of the Standard Oil Co., celebrated his 95th birthday at Lakewood, New Jersey, July 8.

Henry Reifel, president of the Brewers and Distillers of Vancouver, Ltd., and his son, both Canadians, were released at Seattle, July 9, under a \$100,000 bond each, on a charge of having smuggled large quantities of liquor into the U.S.

A system of self-government for American industry in place of the National Recovery Administration is reported to be in process of formation, according to a recent telegram from New York. It is stated, however, that the codes will be strictly supervised by the Federal Government and will become a permanent feature of industrial life. President Roosevelt, before leaving on his holiday cruise, took steps towards relieving General Hugh Johnson of his post at the head of the N.R.A.; or, in any event, that the General's duties are in future to be shared by an administrative council.

Senator Thomas, July 10 sent a telegram to the Governor of the New York Federal Reserve Bank, enroute to Berne, to attend a conference of international bankers, "warning" him against any negotiations for stabilizing the dollar in relation to the English pound or to a fixed quantity of gold. Wall Street predicts further inflation of the dollar in the near future.

Who's Who in China



俞佐廷

Yue Tsu-ting (Yu Tso-ting)

General Chamber of Commerce of Shanghai; Address: General Chamber of Commerce of Shanghai, North Soochow Road, Shanghai.

俞佐廷年四十七歲，浙江鎮海人，曾任甯波總商會會長，甯波市財政局局長，兼代市長，現任恆興錢莊經理，四明儲蓄會總經理，通商銀行理事。暨四明銀行網業銀行惠中銀行等董事長董事，錢業同業公會常務委員，上海總商會會長等職。

Yue Tsu-ting, Chairman of Chinese General Chamber of Commerce of Shanghai; born at Chin-hai, Chekiang, 1887; Chairman of Ningpo General Chamber of Commerce, 1933; Acting Mayor of Ningpo and concurrently Commissioner of Finance, 1927; at present Manager of Hun Sung Native Bank, General Manager of Ningpo Savings Society, Assistant Director of the Commercial Bank of China, Director of Ningpo Commercial Bank, Shanghai Silk Industry Commercial and Savings Bank, and of Wai Chung Commercial and Savings Bank; member of the Standing Committee of the Shanghai Native Bankers' Association and Chairman of Chinese

Chinese Residents Ask for Guarantees from S. M. C.

In connection with the recent incident on Chapoo Road in the Hongkew district in which a Chinese woman was beaten by two Japanese marines, the Chinese Citizens' League of the International Settlement July 5 brought up three demands for acceptance by Mr. Fessenden, of the Shanghai Municipal Council. The demands are:—That the Municipal Council assume full responsibility for the protection of Chinese residents in the Hongkew district; that the Japanese pay the medical expenses of Mrs. Yang, the Chinese woman who was beaten by the Japanese marines, and that the Japanese apologize for their action; and that guarantees be given that no similar incidents will occur in future.

Property Owners at Chapu Ordered to Vacate

Following up previous notifications that the Chapu summer resort, recently developed by foreign interests, notably the Automobile Club, the Chekiang provincial authorities have ordered all property owners in the area, including the French Missions, to vacate. The French Consulate General instructed the Missions to pay no attention to the order. The Nanking Government professes to have no hand in the matter. The general opinion is that the Chekiang authorities are actuated by selfish monetary motives, hoping to get hold of valuable summer resort property by practical confiscation, with a view to exploiting same themselves.

"Plum Blossom Group" Appears in Peiping

A new terroristic group has made its appearance in Peiping, according to the Chinese press, in the former Capital. The group is known as Mei Hua Tuan or Plum Blossom Group. It has over 80 members, mostly students. Each member has a badge on which are inscribed the Kuomintang flag, a plum blossom, and the Chinese character, *Shou* or longevity. The meaning of this is not clear. According to the Peiping papers the purpose of the group is to assassinate those suspected of unpatriotic activities. A member of the group several days ago threw a bomb at the house of a former manager of the Jehol Industrial Bank. The missile fortunately did not explode. The thrower escaped.

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The China Weekly Review

160 Avenue Edward VII

Shanghai

Who's Who in China

(with Supplement)

The standard edition of *Who's Who in China*, published in 1931, has now been brought up to date through the publication of a 200-page supplement. The two books contain the pictures and biographical sketches of the leading men and women of affairs, in government service, business and the professions.

It's the only work of the kind in the English language, is fully indexed in both English and Chinese and most of the sketches contain the latest addresses in addition to information pertaining to date and place of birth, education, careers, etc.

No business office, home, school or public library is complete without *Who's Who in China* giving complete information about the leading men and women of affairs in the Chinese Republic.

If you already have the standard edition published in 1931, order the Supplement only. If not order both books. The prices in Chinese silver or U. S. currency, including postage are as follows:

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The China Weekly Review

160 Avenue Edward VII
Shanghai.

Men and Events

The death occurred in London, July 3 at the age 80, of Sir Conyngham Greene, who from 1912 to 1919 was British Ambassador to Japan.

Captain Liu Tien-fu was appointed June 25 Naval Attache to the Chinese Legation in Tokyo. He is a graduate of the Japanese Naval Staff College.

The Chinese artist, Liu Hai-sou's famous piece "Domest Lake" has been bought by the French Government for the gallery of the Paris Modern Foreign Museum.

Miss Wang Hsiang-lin, an art student from Shanghai tried to commit suicide in a hotel in Nanking July 10, due to lack of funds to continue her art studies.

The Institution for the Chinese Blind at 290 Hungjiao road, Shanghai, is making an appeal for funds. Geo B. Fryer is the superintendent of the institution.

The Rev. Edward B. Turner D. D., pastor of the Church of Christ in Honolulu for the past sixteen years, occupied the pulpit at the Shanghai Community Church July 8.

John R. Morris, Far Eastern manager of the *United Press*, spoke on "International Reporting" at the tiffin meeting of the Y Men's Club at the New Asia Hotel in Shanghai July 10.

Babe Ruth, noted American baseball player will join the team of big league baseballers on their world tour this autumn, when they expect to play in Japan and Australia and possibly China.

John W. Patrick, an employee of the National City Bank in Shanghai, and Miss Sylvia Sharp, of Alhambra, California, were married by Judge Milton J. Helmick in the U. S. Court for China July 7.

The British Government announced July 4 that it is prepared to spend as much as £2,000,000 for what was termed "defensive subsidies" for British ships in order to meet foreign competition.

Under the auspices of the Kiangsi Famine Relief Association, a charity performance will soon be given at Nanchang for the benefit of war and famine refugees. Mei Lang-fang, China's foremost actor, will take part.

July 14, commemorating the fall of the Bastille, is being celebrated by the French community of Shanghai on an elaborate scale. Illuminated arches have been erected on the main thoroughfares of the French Concession.

Lu Mao-chiu, the third culprit connected with the murder on June 15 of Dr. J. H. Ingram, veteran American missionary, at Shihching Shan, west of Peking, was arrested by the Peiping police last week in the western outskirts of the city.

The discovery of a number of valuable old Chinese manuscripts is reported from Tachikitan, Russian Central Asia, of which the most valuable is a government decree, dated 706 A. D. being instructions for the frontier garrisons in Tibet.

The seventh anniversary of the establishment of the City Government of the Greater Shanghai Municipality, was observed July 7 by a meeting held at the auditorium of the new Municipal Headquarters in Kiangwan, at which Mayor Wu Teh-chen presided.

The Yumei hotel at Unzen, Japanese summer resort, was burned to the ground in the night of July 5. Most of the guests were from Shanghai. They lost nearly all their belongings. Mrs. Duncan Glass sustained injuries, from which she died several hours later.

The steamer *Kungwo*, largest vessel of the Indo-China Steam Navigation Co.'s river fleet, arrived at Woosung July 8, coming from Chinkiang with a cotton cargo smouldering. The fire was extinguished after five hours of effort by members of the Shanghai Fire Brigade.

Strict measures must be taken to prevent foreigners from taking any motion-pictures of Chinese women with bound feet or other pictures that are derogatory to the nation. An order to this effect has been issued by the Ministry of Interior to all Provincial and Municipal Governments.

Under the joint auspices of the Ministries of Industry and Education, the National Geological and Mineralogical Exhibition was formally opened at the premises of the College of Engineering of the Peiyang University in Tientsin, July 8. Chen Kung-po, Minister of Industry, officiated.

China's participation in the 11th World Olympics to be held in Germany was decided upon at a meeting of the Physical Education Committee of the Ministry of Education held in Nanking, July 5. The National Amateur Athletic Federation will be entrusted with the duty of making arrangements.

T. V. Soong, member of the Standing Committee of the National Economic Council, departed from Shanghai for Tsingtao July 10 to spend the summer vacation. Mr. Soong was seen off at the wharf by a large group of friends, including H. O. Tong, Superintendent of the Shanghai Customs. Madame Soong and her children had already gone to Tsingtao previously.

An organized move to stamp out from China the prevalent eye disease trachoma, which has serious effects on one's vision and often causes blindness, is being advocated by Dr. F. S. Chang, head of the eye department in St. Luke's Hospital and assistant professor of ophthalmology in St. John's Medical School.

Dr. Yen Chi-tzu, head of the Department of Physics of the Peking Research Academy, and Dr. Cheng Ta-chang, Research Fellow in Physics of the same institute, telegraphed their sympathies, to Madame Joliot, daughter of the late Madame Marie Curie, whose pupils they had been in former years in Paris.

The engagement is announced at Singapore of Huang Yen Kai, Consul for China in Penang, and Miss Tai Hsin Hua, the eldest daughter of the ex-Consul and a well-known leader of the Chinese community in that city Tye Shook Yuen. Mr. Huang, before going to Malaya, was chief editor of two Chinese daily papers in Hongkong and Shanghai.

Judge Lui Yu-kwei, presiding at the First Special District Court, July 10 criticized the Shanghai Municipal Police for failing to produce Chinese Detective Long Tso-yin, of the Shanghai Municipal police, wanted to answer a private criminal prosecution filed by Tsai Yang-che, a messenger, charging him with employment of third degree methods. The case was adjourned until July 24.

The ss. *Yunghua*, an ocean liner of 8,000 tons belonging to the Tachunghua Steamship Company, which will be the first Chinese liner to run between this country and Australia, is expected to arrive in Shanghai early next month. The ship was recently purchased by the company in England and is now on her way from Sydney to Shanghai, carrying a cargo of railway sleepers and other goods.

The Board of Directors of the Peiping Palace Museum at a meeting in Nanking July 5 decided to entrust Ma Heng with the task of checking and taking over the various relics now stored in warehouses in Shanghai, in accordance with the set of measures drawn up by Mr. Ma, and under the supervision of three special supervisors to be appointed by the Executive Yuan. The checking is to be completed in one year.

Merchants of the Taiyangchiao district in Chapei declared a general strike on July 9 as a protest against an assault upon Sun Kwei-fang, owner of a rice shop at Taiyangchiao, by special guards of the Shanghai Municipal Government. The trouble developed from a quarrel between Mr. Sun and the soldiers over the price of rice. It is alleged that the soldiers tied up Mr. Sun. The Shanghai Chinese Chamber of Commerce is investigating the incident.

The Kiangsu Party Office has addressed a communication to the Provincial Government requesting that the various districts in the province be instructed to see that no "indecent" dress is worn by women. The Party urges that anybody found wearing such dresses should be severely punished. Chinese hosiery manufacturers are stated to be worried by the latest fad among Chinese girls of wearing shoes minus stockings. Sales of stockings are said to have slumped rapidly as a result.

Col. Irving C. Moller, of the Field Artillery Reserve, United States Army, has become a member of the S. M. C. Traffic Committee. Colonel Moller is the executive head of the Hosken Trading Co., 133, Yuen Ming Yuen Road, and is a former traffic expert of the United States Government. In 1929 he was called to Nanking by Sun Fo as an adviser to the National City Planning Bureau, where he served in association with Ernest P. Goodrich as a consulting engineer in connection with the re-planning of new capital.

Judge Helmick Rules Eight Percent Interest Is Limit in China

Judge Helmick, in the U. S. Court for China July 10, granted a foreclosure on Leubberts' Pharmacy in Nanking road in favor of the Finance Banking Corporation, a British concern. The Court refused to grant a receivership. It was also held that the interest rate of the District Columbia would apply, as per a decision of the Court in 1923. Therefore interest would be allowed at only 8 percent, and not 12 per cent, as stipulated in the mortgage. The decision has caused consternation in local financial circles, particularly among American finance corporations, which have regularly been charging higher rates.

Another Accident in Kailan Mines---One Workman Killed, Seven Injured

One workman was killed and seven injured as a result of the caving-in July 6 of a mine at Machiakow, near Tangshan, belonging to the Kailan Mining Administration. An explosion also occurred at another pit resulting in the death of one worker and the injuring of three. The fire was subsequently brought under control. All the injured persons were rushed to Tangshan for medical treatment. This accident at the Kailan mines is one of several of a similar nature which have occurred in the past few years.

Customs Cruisers Make Haul of 500 Bales of Smuggled Rayon

When Chinese Customs cruisers June 29 and 30 stopped two motor "fishing" trawlers off Woosung, they found them loaded with five hundred bales of artificial silk yarn, valued at about half a million dollars, in addition to considerable flour. The two trawlers, powered with large Diesel oil engines, were brought up to Shanghai and are now anchored near the Wetmore Road Station. One of the trawlers, the *Hiroshi Maru*, is reported to have carried an engine crew of Japanese and a deck crew of Formosans. None of the men aboard the trawler had national papers of any description when the craft were seized. The silk and other cargo were duly confiscated by the Customs authorities. The crews of the boats were released after being put ashore here, in view of the fact that it is no criminal offense to engage in



The picture above shows the two "fishing" trawlers—(right) *Hiroshi Maru*; (left) unnamed—recently run down off Woosung by Chinese Customs preventative cruisers, while trying to smuggle 500 bales of silk into Shanghai.

smuggling of this nature. Narcotic smugglers are subject to imprisonment, but silk smugglers are only liable to have their smuggled property or boat confiscated or be subjected to a fine. It is believed here that both of the trawlers originally came from Dairen. The seized boats will probably be sold at auction by the Customs.

The Chinese Customs cutter, *Hai Tung*, and its launch from Chefoo both of which are commanded by Britons, separately drifted unawares, because of fog, into Port Arthur July 9. Their appearance caused a commotion among the Manchukuo and Japanese fishermen who recognized the craft as frequent pursuers of local trawlers. They were ordered to leave Port Arthur.

As a result of the concerted measures taken by the naval and air forces, two more Chinese passengers kidnapped by the pirates from the steamer *Shun-tien*, were freed July 6 and six pirate boats seized. The pirates deserted their boats and fled with their captives to the neighboring thickets. The Chinese naval forces are continuing their efforts for the rescue of the remaining captives.

Americans to Cease to Support Missionary Work in China?

The American people generally have decided to cease subscribing to missionary work in China from this year owing to the depression and the consequent decrease in the national revenue, according to a *Rengo* message sent to the newspapers in Japan from Shanghai, July 3. It is believed that this will deal a severe blow to Chinese education as it will remove an annual subsidy of 10,000,000 American dollars hitherto coming from the United States for missionary work, including schools, churches and hospitals. Despite all efforts, Yenching University in Peiping has been unable to raise funds in America and the school has been deprived of its subsidy for this year. Many American missionaries will be summoned back to the United States, their places being taken by Chinese missionaries, it is stated.

Interior Customs Houses to Be Abolished

It is learned that the Ministry of Finance has drawn up measures for the abolition of customs houses in the interior of China with the object of saving unnecessary expense. The customs stations which the Ministry is planning to abolish are those now functioning at Hankow, Wuhu, Changsha, Chungking, Chinkiang, Kiukiang, Ichang, Nanking, Hangchow, Soochow and Shasi.

Now On Sale

China Year Book 1934

The China Year Book should be immediately accessible to the staff of every office in China. Its 850 pages cover the whole field of political, financial and commercial activities in easy reference form, and makes its absence a definite handicap as much to the small trader as to the diplomat. Very little of the contents of this edition has appeared in previous issues. In the current issue, among other important documents, will be found:—

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DR. M. T. Z. TYAU: GREATER SHANGHAI
MR. OWEN LATTIMORE: CHINESE TURKESTAN AND MONGOLIA
REV. C. L. BOYNTON: PROTESTANT MISSIONS
DR. J. B. GRANT: PUBLIC HEALTH

The Editor, who is himself a leading authority on Chinese affairs, is the author of several works on China, Editor of "Oriental Affairs" and has lived for over thirty years in the country.

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New Books of Interest in the Far East

The World Economic Collapse

The Intelligent Man's Guide Through World Chaos. By G. D. H. Cole. Published by Victor Gollancz, Ltd., London. 1932. 680 pp. Price 5s.

This is far the best and clearest exposition of the present world crisis that the present reviewer has had the pleasure of reading. Mr. Cole is a most distinguished economist and writer, a member of the Economic Advisory Council and Reader in Economics at Oxford, but he writes here mainly for the layman, and with a clarity and conciseness characteristic of the man completely familiar with his subject. It has been remarked at times that the man who is difficult to understand usually doesn't wish to be understood, and it is certainly a characteristic of some to cover up a paucity of brains by a plethora of long words. But as Clarence Darrow has said, any man who has anything worth while to say can say it in everyday language. And this is precisely what Cole does, though even a person familiar with economic theory and with recent economic developments will find much of interest in Cole's splendid presentation of his subject, and in the scores of charts and tables included in the book.

An introductory survey points out the nature of the slump, the brief post-war boom and crisis followed by a certain recovery and then the headlong decline into the present economic chaos, some principles such as the "gospel of work," the rise in industrial production, the problems of modern production, and the world economy, concluding with the fundamental principle that "man clearly must not rest content until he has created an economic order equipped to distribute all the goods that his command over nature enables him to produce."

This chapter is followed by one on the economic consequences of the war, dealing with the immediate causes of the present slump, showing how the great boom and crash in the American stock markets in 1929 had immediate repercussions in Europe. With the cutting off of American loans to Europe, Germany's position soon became desperate, though the Government took most drastic measures to cut down costs at the expense of the German people, and pay reparations out of its own resources. This supreme effort, and the burden of maintaining the rapidly growing army of unemployed due to "rationalization" and the intense depression in the home market following from the lowered purchasing power of the people, was too much, and only the Hoover moratorium and the "stand-still" agreement permitting Germany to postpone payment of her short-term loans saved her from utter collapse. "Germany carried on but only by desperate measures of semi-starvation enforced by rigid governmental control at the cost of stirring up among the German people a ferment of resentment and despair. Hitlerism and Communism alike gained converts at the expense of the middle parties as the desolation continued." Today we see the result,—though even yet not the final result.

It was now Britain's turn. London's position as a center of world finance made it especially vulnerable. When the heavy slump came it became impossible for British banks to withdraw money lent to the Germans, and difficult to obtain repayment of credits elsewhere, while the difficulties of American banks caused them to withdraw funds from London, as Frenchmen also were doing now that the franc had been stable for some years. The situation was growing difficult, but not critical, until the Labor Government was so unwise as to yield to Opposition pressure to appoint the Committee on National Expenditure, consisting largely of men wholly opposed to Socialist and Labor principles, which naturally brought in a report for vigorous "retrenchment," a report which was "unduly alarmist in tone and grossly exaggerated the real dangers of the situation. It was, however, loudly praised at home by the opposition press, and accepted at its face value abroad; and its immediate effect was to produce a further run on the pound." This necessitated large loans from America (as well as France), but the Government (whose guarantee became necessary) was met with the demand—evidently from America—that the Budget be balanced, largely at the expense of the unemployed. The majority of the Government refused to sacrifice the unemployed to the American and international financiers, but MacDonald and a couple of other renegades were willing to do so, and after the Labor Government's resignation, the Prime Minister "reappeared" heading a Coalition Government, consecrated to "saving the pound." American and French financiers promptly assisted the new regime with loans, but these were soon exhausted, and the Government suspended the gold standard. The Bank of England, indeed, had suggested this course many weeks before, but the Labor Chancellor of the Exchequer was a "fanatical adherent of the gold standard," and under his influence "the Labor Cabinet does not appear to have seriously considered at all" going off this standard. The professedly "save the pound" Coalition Government, however, almost at once went off gold, showing itself quite as observant of its promises as the late Mr. Wilson when he "kept America out of the war" sixteen years ago.

Britain's abandonment of gold was unquestionably a wise step for her, but it had most powerful repercussions throughout the world, one country after another going off gold. "The gold standard thus ceased in effect to be a world standard, and came to be no more than the standard of a limited group of countries which, in consequence of remaining upon it, soon began to find their exports reduced and to experience an alarming growth of unemployment and distress." The effect upon other countries, first of all upon Germany, constitutes the uninspiring history of the past year or two.

In subsequent chapters the author goes on to show how the industrial system has developed during the past two centuries, rising up first in Great Britain, during the past century extending to Germany, to America, and to other countries, and in more recent years to the Far East. He shows the effect of machines upon men, and the dilemma created by the displacement of labor:

"It may seem to the technician as if the manual worker were becoming more and more superfluous as an agent of production; but if he is not allowed to produce how shall he be given the means to consume? And unless he is allowed to consume, how shall the vast productivity of the modern economic system be successfully employed?"

A chapter on prices and the price level shows the limited value of so-called "index numbers" and "general level of prices," and with the necessary precautions goes ahead to a study of recent price movements, and a discussion of price stabilization. Next comes an equally sound and clear exposition of money, credit, and capital, setting forth in plain language the nature of money, its development in recent times, the credit system, and the gold standard, and going on to a description of the British banking system, American banking, banking in some other countries, and the control of credit,—a most valuable chapter, in these days when monetary questions are arousing such interest and such widespread discussion, and so many wild theories are being put forth by currency cranks of all kinds. Here, most of all, one feels the complete sanity and reliability of the author,—standing with his feet firmly on the ground, rooted in reality, but at the same time looking forward to practical ways out of the present economic impasse, and recognizing that the old ways are today inadequate.

The book goes on to an exposition of unemployment and industrial fluctuations, then to foreign trade and fiscal policy, public finance and taxation, economic organization, the challenge of Russia to the capitalist order, and a discussion of various alternatives to capitalism. The author concludes with a most penetrating chapter on the world outlook, divided into two sections: The First Alternative—The Restoration of Capitalism; and The Second Alternative—the Supersession of Capitalism. The first involves "a drastic reconsideration of the whole problem of international debts of every kind, including not only Reparations and War Debts but also the fresh loans, public and private, which have mounted up since the war and have been swollen in consequence of the fall in prices to a total beyond the capacity of the debtor countries to bear," though the urgent necessity for scaling down drastically these private debts might be avoided if the world "price level" could be raised high enough to make the debt burden tolerable. For international action to raise prices, however, the closest collaboration and agreement between the world's Governments and Central Banks is necessary, amounting in effect to the unification of world finance, while in each country the amount of money in circulation must be increased, credits granted more freely, and each Government go in for a widespread policy of national development providing an outlet for the new money. Reduction in tariff barriers would also assist in restoration, though Cole has little hope of this. But all these measures would be of no permanent value unless there were an increase in wages commensurate "not merely to the rising level of prices, but also to the increasing volume of total world production," so as to increase and maintain the consuming power of the people. This calls not only for a wholly new attitude towards wages, but for international agreement for wage regulation, which seems almost impossible of accomplishment. But this is indispensable to any permanent restoration of capitalism, for "any restoration of business confidence is likely to lead to an enormous outpouring of additional goods and to investment of capital on a scale hitherto unknown in the history of the economic system. If, under these conditions, the product of industry continues to be divided in the proportions in which it was being divided between capital and labor during the boom which preceded the world slump of 1929, it will not be long before the world is faced with a new slump fully as bad as the last."

There is no denying the force and the logical accuracy of Cole's exposition. But since this book was written there has been no sign whatsoever that the Governments of the capitalist world have even the elementary foresightedness to agree to the essential points necessary for restoration. There seems far less possibility today than two years ago that there will be any restoration of the capitalist order, though Cole fails to mention the possibility of this being temporarily achieved by a new World War, which would take up the product of industry by sheer destruction, as it did sixteen years ago, put half the unemployed at the front killing one another and the other half manufacturing munitions and supplies for the killers, and create a brief "war prosperity" as well as a war thrill which would make people for a time forget the dull sufferings of the present period. But there seems no immediate likelihood of a World War

either,—except in the fertile imaginations of some Russian writers who see it regularly every year.

The only hope, indeed, seems to lie in the second alternative,—the supersession of capitalism by a system of social ownership and control, with production for social use instead of for private profit. Cole is fully and profoundly aware of the difficulties in the way of this, and points them out with accuracy and unerring judgment. While the reconstruction of capitalism calls for far more intelligence, promptitude, and international unity than Governments and national capitalist groups have ever yet shown, "the establishment of Socialism makes even greater demands upon human sagacity and courage; but at the same time it offers more hope because it promises an appeal to powerful motives in the minds of men which Capitalism has allowed to rust unused,"—meaning, of course, social and public motives.

H. H.

Poland's Great Musician and Statesman

Ignace Paderewski, by Rom Landau; Thomas Y. Crowell Company, New York, 1934. Illustrated. 134 pages, with bibliography and index.

Paderewski is an interesting person and the story of his life is inspiring. His biographer is a Pole who, after numerous vicissitudes since the World War, has become a writer living in London. He has been at great pains to verify his facts and in a supplementary chapter gives an account of recent conversations with Paderewski at the musician's home.

His book is in three sections, "The Musician," "The Statesman," "A Great Man."

From poverty and somewhat mediocre early surroundings Paderewski emerged in 1876 as a professor of Counterpoint and Piano at the University of Strassburg. At this time he was twenty-six years old and the Polish actress, Modjeska, described him as "a man of wide culture, of witty, sometimes biting tongue, a man wide awake to all matters of personal interest, who knew and understood the world." He soon went to Vienna where his successful career as a concert pianist was started. In Vienna he found a sympathetic setting for the deep patriotism of his Polish nature. Next came London, other European cities and America. Paderewski worked hard and bent his entire energy to the unity of his musical purpose. He lived in a rigid self-discipline. His clothes, everything he did publicly, combined to make the harmonious whole of his art. "At first many newspapers accused him of seeking sensationalism in his appearance, which only showed how little they knew the virtuoso. No matter how wonderful his art may be, to his audience he remains the visible bridge which leads from his art to the shrine that the audience has formed around his name. The romanticism of Paderewski's playing corresponded to the picturesqueness of his hair; the elegance of his arpeggios and his scales was not surprising in one who moved with such grace; the gentleness of his touch went well with the courteousness which his audience admired so much from the moment he appeared on the platform. Inasmuch as those artistic qualities were the outcome of hard work, so were also the corresponding details of his personal appearance. His graceful manner, his elastic walk across the platform, may have been natural; but he tried consciously and in front of a mirror to make them more perfect. Nothing was left to chance—from his hair to the smiling bow with which he thanked his audiences. Movements of the body during his playing, too, were controlled."

When the World War broke out Paderewski was at his home in Switzerland and he soon found himself in the center of the workings of several Polish political parties. Because of his prominence and world-wide acquaintance he was soon appointed as chief delegate of the Polish Committee National to the United States. He visited America in this capacity and eventually found himself back in Warsaw at the time of Pilsudski's triumph. Paderewski and Pilsudski were utterly different. Each represented a different method and school of thought. At the Peace Conference, as Prime Minister of Poland, Paderewski did what he could for his country. He was disappointed by the way he had been treated in Poland, but he still remained a loyal Pole. In Geneva he was held in high esteem by representatives assembled there from all countries.

In 1920, after years given to his native land, Paderewski, back at his Swiss home, Riond Bosson, sat again at his beloved piano and again played Chopin as only he could play. It took work and discipline, but he returned to his music. His life since then has been full of varying interests. His domestic circle, his pupils, his Spanish lessons,—always his music—and his friends, have filled his life. His wife died in January, 1934. Paderewski lives on in his Swiss home, revered both as musician and patriot.

During the life-time of a man his biographer must use a certain restraint in writing of him, be he ever so much of a hero in the writer's eyes. This book shows restraint, but it also has breadth and discernment.

G. B. S.

June 20, 1934.

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By H. D. Lamson Price, 4.00

The author, having taught, for six years, courses in Social Problems at the University of Shanghai, is well qualified in writing this pioneer work in a field hitherto seldom explored in such a systematic and comprehensive manner. "The primary purpose," in the word of the writer, "in writing this book is to furnish college students in China a source book for the study of the fundamental social problems—livelihood, health, and the family—as they exist in China today."

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Text of Dr. L. Rajchman's Report on League Co-operation with China

(Continued from last week)

The appended table shows a list of services operated in all the roads in the Seven Provinces:—

TABLE SHOWING THE PRESENT TRAFFIC CONDITIONS OF CENTRAL-AID ROADS IN THE SEVEN PROVINCES—cont.
BUREAU OF PUBLIC ROADS, THE NATIONAL ECONOMIC COUNCIL OF CHINA

Province	Road	Section	No. of Buses	Frequency of Buses per Day	Charges per Passenger	Frequency of Trucks per Day	Charges per Truck	Av. Monthly Income	Operated by Government or Private Company	Remarks
KIAO-TUNG	Nanking-Peking Line	Nanking-Chiaochang Section	30		\$0.035				Company	
	Shanghai-Kwangtung Line	Shanghai-Machang Section	10						Company	
		Hachang-Chiaochang Section	9	22	0.023				Government	
	Chiaochang-Shuyang Line	Chiaochang-Yangchow Section	23	12	0.042			\$12,000	Company	
	Szechow-Kiangyin Line	Wuch-Kiangyin Section	14	18	0.025			11,000	Company	
	Nanchang-Hankow Line	Szechow-Paoan Section	8	12	0.043		\$0.17		Company	
	Shanghai-Liaoh Line		34	10	0.033			20,800	Company	This Line does not belong to the Central Aid Roads
	Kiating-Liaoh Line				0.033				Company	
	Chiaochang-Shuyang Line		3	8	0.030			4,000	Government	This Line does not belong to the Central Aid Roads
	Total		123					47,000		
CHIAO-KANG	Hanchow-Chiaochang Line	Hanchow-Chiaochang Section	18	19	0.036			22,071	Government	
		Kononshiao-Shanhsiao Section	18	45	0.034			18,308	Government	
	Nanking-Peking Line	Nanking-Shiaochang Section	40	28	0.028			47,520	Company	
	Shanghai-Kwangtung Line	Shanghai-Tsaoan-Chiaochang Section	31		0.030				Company	Constructed by Bus Company
		Hanchow-Shiaochang Section	12	11	0.024			8,812	Government	

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TABLE SHOWING THE PRESENT TRAFFIC CONDITIONS OF CENTRAL-AID ROADS IN THE SEVEN PROVINCES—cont.
BUREAU OF PUBLIC ROADS, THE NATIONAL ECONOMIC COUNCIL OF CHINA

Province	Road	Section	No. of Buses	Frequency of Buses per Day	Charges per Passenger	Frequency of Trucks per Day	Charges per Truck	Av. Monthly Income	Operated by Government or Private Company	Remarks
CHIAO-KANG	Shanghai-Kwangtung Line	Chiaochang-Lanchow Section	10		0.030				Company	
		Hanchow-Tsaoan Section	12	10	0.034				Government	Formerly operated by Bus Company
	Hanchow-Lanchow Line	Yuhang Section	12	10	0.034				Company	
		Lanchow-Chiaochang Section	8	6	0.028			3,238	Government	
	Shanghai-Kwangtung Line	Shanghai-Chiaochang Section	8		0.030				Company	
	Nanking-Peking Line		18	47	0.025			21,256	Company	This Line does not belong to the Central Aid Roads
	Total		72					116,361		
ANHSU	Nanking-Kashow Line	Hafu-Kashow Section	6		0.040				Government	
		Kashow-Tamshan Section	13	2	0.040	1	0.23 to 0.28	5,500	Government	
	Shanghai-Kwangtung Line	Kashow-Anshan Section	6		0.040				Government	
	Nanking-Shen Line	Chiaochang-Hafu Section	4		0.040				Government	
	Tsaoan-Shiaochang Line	Lanchow-Tsaoan Section	8		0.040			4,100	Government	
	Total		27					9,600		
KIAO-TUNG	Nanking-Kashow Line	Nanchang-Chiaochang Section	23	Thru 8 Local 30	0.038			1,800	Government	
		Chiaochang-Chiaochang Section	3	Thru 14	0.038			1,800	Government	
	Nanking-Kashow Line	Hanchow-Tsaoan Section	8	Thru 8	0.038			8,200	Government	

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TABLE SHOWING THE PRESENT TRAFFIC CONDITIONS OF CENTRAL-AID ROADS IN THE SEVEN PROVINCES—cont.
BUREAU OF PUBLIC ROADS, THE NATIONAL ECONOMIC COUNCIL OF CHINA

Province	Road	Section	No. of Buses	Frequency of Buses per Day	Charges per Passenger	Frequency of Trucks per Day	Charges per Truck	Av. Monthly Income	Operated by Government or Private Company	Remarks
KIAO-TUNG	Nanking-Kashow Line	Nanchang-Shiaochang Section	12	Thru 18 Local 8	0.038			13,000	Government	
		Lanchow-Shiaochang Section	1	Thru 8	0.038				Government	
	Shanghai-Kwangtung Line	Yungchow-Paoan Section	1	Thru 8	0.038				Government	
		Kiao-Ansh Section	3	Thru 6	0.038			2,000	Government	
	Nanchang-Shiaochang Line	Nanchang-Shiaochang Section	20	Thru 30 Local 6	0.038			18,000	Government	
HANKOW	Nanking-Kashow Line	Lanchow-Shiaochang Section	14	Thru 12 Local 6	0.038			10,000	Government	
		Total	60					32,800		
	Lanchow-Shiaochang Line	Nanchang-Shiaochang Section	10	Thru 2	0.034	2	0.45 to 0.30	8,000	Government	
		Lanchow-Shiaochang Section	8	Thru 2	0.040	2	0.30 to 0.32	7,000	Government	
	Shanghai-Kwangtung Line	Whole Line	25	Not used	0.040	15	0.50 to 0.32	20,000	Government	
HANKOW	Nanking-Kashow Line	Whole Line	8	Thru 2	0.034	3	0.45 to 0.30	6,000	Government	
		Total	51					38,800		
HANKOW	Nanking-Kashow Line	Chiaochang-Shiaochang Section	11	Thru 10 Local 5	0.037			13,817	Government	
		Shanghai-Kwangtung Section	24	Thru 14 Local 19	0.036	27	0.2935	45,107	Government	
	Lanchow-Shiaochang Line	Chiaochang-Shiaochang Section	19	Thru 2 Local 23	0.033	4	0.5930	19,320	Government	
		Shanghai-Kwangtung Section	45	Thru 15 Local 23	0.036	2	0.2935	40,021	Government	
	Shanghai-Kwangtung Line	Shanghai-Kwangtung Section	30	Thru 3 Local 18	0.033	9	0.2935	30,210	Government	

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TABLE SHOWING THE PRESENT TRAFFIC CONDITIONS OF CENTRAL-AID ROADS IN THE SEVEN PROVINCES—cont.
BUREAU OF PUBLIC ROADS, THE NATIONAL ECONOMIC COUNCIL OF CHINA

Province	Road	Section	No. of Buses	Frequency of Buses per Day	Charges per Passenger	Frequency of Trucks per Day	Charges per Truck	Av. Monthly Income	Operated by Government or Private Company	Remarks
HANKOW	Shanghai-Kwangtung Line	Lanchow-Shiaochang Section	17	Thru 18 Local 3	0.030			13,314	Government	The Section from Lanchow to Yuhang does not belong to Central Aid roads
		Chiaochang-Tsaoan Section	8	Thru 18 Local 14	0.030			7,000	Government	This line does not belong to the Central Aid roads
	Total		25					20,314		
HANKOW	Nanking-Kashow Line	Nanchang-Shiaochang Section	8	Thru 4 Local 2	0.040			3,800	Government	
		Nanchang-Shiaochang Section	3		0.040			3,000	Under military control	
	Shanghai-Kwangtung Line	Hanchow-Shiaochang Section	4		0.040			2,000	Under military control	
		Lanchow-Shiaochang Section	12	Thru 6 Local 6	0.040			12,000	Government	
	Nanking-Kashow Line	Nanchang-Shiaochang Section	6	Thru 4 Local 2	0.040			3,000	Government	
		Nanchang-Shiaochang Section	18	Local 18	0.040			10,000	Government	
	Shanghai-Kwangtung Line	Nanchang-Shiaochang Section	18	Local 18	0.040			10,000	Government	
		Total	64					40,800		

GRAND TOTAL: 387 (483,419)

The following table is an analysis of operating revenue and expenses of bus services in Chiao-Kang province:—

	Per cent
1. Ticket Fare, 25.28 cents per passenger kilometre.	
2. Bus capacity, 17.28 persons.	
3. Operation Revenue, about 18 cents per bus kilometre.	
4. Operation Expense, 22 cents per bus kilometre distributed into the following items:	
General overhead expenses	1.0
Bus and station service	30.5
Paint	35.0
Engine oil	3.8
Tires and tubes	10.2
Upkeep and repairing of vehicle	8.5
Depreciation of vehicle	1.2
Head maintenance	4
Sum	95.2
Total	100.0

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The fourth kind comprises the services connecting industrial centres around some of the ports in the North, with vast areas separated by sparsely populated regions or districts having these ports as their natural outlet for their produce. In the case of one such projected highway it is calculated that the time may be reduced from the two to six months required by camel caravans to three to four weeks for regular motor-truck services.

(To be continued)

Hopei Establishes Special Hospital to Treat Drug Addicts

The Hopei Provincial Government has established a special hospital for the treatment of Chinese officials who are drug addicts. Of more than a hundred in-patients, 80 per cent are victims of the opium habit, and 20 per cent are users of heroin. The hospital is also treating out-patients.

The members of the Kiangsu Provincial Opium Suppression Commission were sworn into office at Chinkiang July 7 by Chen Kuo-fu, Chairman of the Kiangsu Provincial Government.

Convicted by the Hangchow District Court on the charge of smuggling and selling opium, Chen Chi-ching, proprietor of the Shengchow Hotel in Hangchow, July 4 was executed by shooting July 3.

Miss Elizabeth Mihailovitch, Russian fortune teller and palmist, was fined \$20 in the Second District Court in the French Concession July 7 on conviction of smoking heroin.

Cocaine valued at U. S. \$100,000 was seized in an engineer's trunk aboard the s.s. *Cibichu Maru* at San Francisco June 28.

The Turko-Japanese negotiations for the revision of the commercial treaty, according to a message from Istanbul, are still hanging fire. The Turkish Government insists on a barter system, but there are practical difficulties in increasing shipments to Japan. Japan wants to buy raw cotton, salt and opium. With spinning mills newly established, however, Turkey will not be able to export raw cotton two or three years hence. Inadequate port facilities render it extremely difficult for her to export salt. As for opium, owing to competition from the Persian product, no marked increase can be hoped for.

A big opium smuggling ring, consisting of 14 members in all, was arrested recently by the Hyogo police. With headquarters in Kobe, they have been smuggling opium produced in Karafuto to Shanghai, and with the money thus gained, were living a luxurious life.

A Japanese drug smuggler who is said to hold the key to the mysterious death of the British Consul in Marseilles—who was murdered in the summer of 1930—has been arrested by the Osaka police. The man is Katsutoshi Tsumneitsu of Osaka, one of the members of the big international smuggling ring in which a millionaire, Keiji Kitada, Kanichi Shimamura and Sennosuke Asai, proprietor of the Hanshin Dance Palace were involved.

Opium Dens Officially Licensed at Minghong and Machiao

The National Anti-Opium Association reports that two licensed opium sales offices have been opened in the Minghong and Machiao districts under jurisdiction of the Shanghai hsien government, which controls the western area adjoining the Greater Shanghai Municipality and which is under the direct control of the Kiangsu Provincial Government. The district Opium Suppression Committee, created under the special code enforced by the Kiangsu Provincial Government, has decided to allow the establishment of an opium monopoly system in the province.

Pootung Cigarette Strikers Send Delegate to Nanking to Lodge Appeal

Siao Keng-suug, who was delegated by the striking laborers of the B.C.C. "new" factory in Pootung to appeal to the National Government for assistance in settling the dispute, has gone to Nanking to present his case. Other appeals have been made to the Government, without result.

Chou Tze-cheng, an alleged officer of the British Cigarette Company Workers Strike Committee, was accused of being a communist and arrested by the Bureau of Public Safety end of last week. The strike situation at the B.C.C.'s "new" factory at Pootung remains unchanged.

The Committee of the striking British Cigarette Co. workers in the Pootung "new" factory have sent a telegram to the President of the Executive Yuan asking why the strikers Maintenance Corps should not be allowed to continue in existence.

Cigarette Smoking "Legalized"

Following the enforcement of the "New Life" movement, boycotters and the police at Nanking and other provinces, have been openly intimidating people from smoking cigars and cigarettes on the streets. The Ministry of Finance has, however, issued an order "legalizing" cigarette smoking and selling by the people, and says no further interference will be tolerated.

A decision was reached at the meeting of the Executive Yuan July 3 in compliance with the petition of Dr. H. H. Kung, Minister of Finance, that a grant from the Government is to be made to the Chinese Tobacco Merchants' Guild in Shanghai for the expansion of their tobacco business, improvement of tobacco products and as a means of cooperation and assistance in combatting smuggling.

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The Central district for the first six months of the present year was responsible for about one third of the new construction, and of course it means replacement of old buildings. The corner of Hankow and Szechuen Roads has recently had a street widening with a new front to an old building, and now the large building on the North-East corner is due for modernizing with the razing of the old building just to the North. All this suggests how much we need new fronts on Szechuen, Kiangse and Honan Roads, with their corresponding street widenings. Other permits in the Central district are a new shop front on Szechuen, north of the Peking Road corner. Alterations to a Cinema on Chekiang Road, between Foochow and Canton Roads, and a Chinese Hong off Peking Road on Koo Ka Loong Lane.

One permit in the Northern district is for a Chinese Hong off Tsepo Road, East of Chekiang Road.

In the Eastern District the permits are all of ordinary size, and are as follows: plans for 8 Chinese houses off Kwenming and Thorburn Roads, additions to a foreign house with garage on Liaoyang Road, North-East corner of Baikal Road, 2 Workshops Juikin Road, External East of Hailar Road. Additions to a factory on Tongshan Road, East of Alcock Road, and 4 Chinese houses with wall and gate house on Chemulpo and Kwenming Roads.

In the Western district permits have been granted for the following: 5 foreign residences on the corner of Hart and Sinza Roads, 4 Chinese houses off Avenue Road, south of the corner of Ferry Road, 2 Chinese houses off penang Road, North-East corner of Ferry Road,

In the French Concession the largest permit is for an apartment on the corner of Route Sieyes and Albert. Another is for a Chinese residence and a small house on North East corner of De La Tour and Frelupt.

Others are for a foreign residence with garage on Rue Lafayette near the point where it will intersect Avenue Joffre.

Two Chinese houses on Rue Prentice, East of Mercier, 10 Semi-foreign houses on Route Vallon, midway between Du Roi Albert and Mercier, and an addition to the larger garage on the corner of Avenue Foch and Mercier.



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The National City Bank of New York, Rates of Exchange
Shanghai, July 11, 1934

Demand selling rate on America:	U.S.\$100=Sh. \$ 2.95
Demand buying rate on America:	U.S.\$100=Sh. \$ 2.91
Demand selling rate on London:	£100=Sh. \$14.94
Demand rate buying on London:	£10.0=Sh. \$14.71

Latest New York Stock Exchange Quotations

Market—Very Dull.

Business Done 400,000 Shares

July 11, 1934

1933-34	Div. \$	STOCK	Mon. Tue.
High	Low	per Sh.	July 9 July 10
4	3	Adams Express	8 1/2 8
13 1/2	11 1/2	Alaska Juneau	20 1/2 21
33	70 1/2	Allied Chemical & Dye	131 130
169	19 1/2	American Can	98 1/2 99 1/2
107 1/2	5 1/2	American & Foreign Power	8 8 1/2
19 1/2	3 1/2	American Metal Company	23 23
27 1/2	10 1/2	American Smelting	41 1/2 42 1/2
53 1/2	86 1/2	American Tel. & Tel.	115 1/2 116 1/2
124 1/2	50 1/2	American Tobacco "B"	77 1/2 78
94 1/2	10 1/2	American Waterworks	20 19 1/2
43 1/2	5	Anaconda Copper	14 1/2 14 1/2
22 1/2	5 1/2	Atlas Corporation	10 1/2 10 1/2
18 1/2	31	Auburn Automobiles	23 1/2 24 1/2
84 1/2	8 1/2	Baltimore & Ohio	22 1/2 23 1/2
37 1/2	10 1/2	Bethlehem Steel	33 1/2 34 1/2
49 1/2	18 1/2	Borden Company	26 1/2 27 1/2
37 1/2	5 1/2	Borg Warner	22 1/2 22 1/2
28 1/2	7 1/2	Canadian Pacific Railway	13 1/2 13 1/2
20 1/2	80 1/2	Case, J. I.	51 52
103 1/2	16 1/2	Chase National Bank	28 1/2 28 1/2
47 1/2	14 1/2	Chesapeake Corporation	44 45
52 1/2	7 1/2	Chrysler Corporation	40 1/2 41 1/2
59	9	Columbia Gas & Electric	14 12 1/2
28 1/2	1 1/2	Commonwealth & Southern	2 1/2 2
6 1/2	34 1/2	Consolidated Gas of N. Y.	33 1/2 34
64 1/2	4 1/2	Continental Oil	19 1/2 19 1/2
22 1/2	2 1/2	Coty Inc.	6 1/2 6 1/2
9	1 1/2	Curtiss Wright Company	3 1/2 3
5 1/2	32 1/2	Du Pont de Nemours	90 1/2 91 1/2
103 1/2	46	Eastman Kodak	97 1/2 98
100 1/2	10	Electric Bond & Share	15 15 1/2
41 1/2	3 1/2	Electric Power & Light	5 1/2 6
15 1/2	12	Fox Film "A"	13 13
19	2 1/2	General Aviation	5 4 1/2
10 1/2	10 1/2	General Electric	19 1/2 20 1/2
30 1/2	21	General Foods	31 30 1/2
39 1/2	10	General Motors	32 31 1/2
42	13 1/2	General Railway Signal	35 1/2 34 1/2
49 1/2	12	Gold Dust	20 19 1/2
27 1/2	9 1/2	Goodyear Tire & Rubber	26 1/2 26 1/2
47 1/2	6 1/2	International Cement	26 25 1/2
40	13 1/2	International Harvester	22 1/2 23
46 1/2	6 1/2	International Nickel	25 1/2 26
29 1/2	5 1/2	International Tel. & Tel.	12 1/2 13
21 1/2	21 1/2	Johns Manville	53 54 1/2
46 1/2	7 1/2	Kennecott	21 1/2 21 1/2
26	37 1/2	Lehman Corporation	70 71
79 1/2	49 1/2	Liggett & Myers "B"	96 1/2 97 1/2
99 1/2	8 1/2	Loew's Inc.	26 1/2 27 1/2
36 1/2	10 1/2	Lorillard P. (Com.)	18 1/2 18 1/2
28 1/2	8 1/2	Montgomery Ward	28 28 1/2
55 1/2	16 1/2	National City Banks (bid price)	27 1/2 28 1/2
64 1/2	5 1/2	National Distiller	23 1/2 23
41 1/2	14	New York Central	28 1/2 29
58 1/2	12 1/2	North American	17 1/2 17 1/2
36 1/2	31 1/2	Owens Illinois Glass	75 1/2 76
96 1/2	15	Pacific Gas & Electric	17 1/2 17 1/2
31 1/2	1 1/2	Packard Motors	3 1/2 3 1/2
6 1/2	13 1/2	Pennsylvania Railroad	80 1/2 81
42 1/2	1 1/2	Pennroad Corporation	2 1/2 2 1/2
6 1/2	4 1/2	Phillips Petroleum	17 1/2 17 1/2
20 1/2	3	Radio Corporation	6 1/2 6 1/2
12 1/2	26 1/2	Reynolds Tobacco "B"	46 1/2 46
54 1/2	12 1/2	Sears Roebuck	43 1/2 44 1/2
51 1/2	6	Socony-Vacuum Corporation	15 1/2 16
19 1/2	14 1/2	Southern California Edison	16 1/2 16 1/2
28	5 1/2	Standard Gas & Electric	10 1/2 10 1/2
22 1/2	22 1/2	Standard Oil Co. of N. J.	44 1/2 44 1/2
50 1/2	45 1/2	Sterling Products	63 1/2 64 1/2
61 1/2	1 1/2	Studebaker	4 4 1/2
9	10 1/2	Texas Corporation	23 1/2 24 1/2
30 1/2	2 1/2	Transamerica	6 1/2 6 1/2
51 1/2	19 1/2	Union Carbide & Carbo	44 44
51 1/2	61 1/2	Union Pacific	120 121 1/2
133 1/2	16 1/2	United Aircraft & Trans.	17 1/2 18 1/2
46 1/2	4 1/2	United Corporation	5 1/2 5 1/2
14 1/2	13 1/2	United Gas Improvement	16 1/2 16 1/2
25	2 1/2	U. S. Rubber	17 1/2 18 1/2
25	22 1/2	U. S. Steel	39 1/2 40 1/2
67 1/2	21 1/2	Universal Leaf Tobacco	Unq. 21 1/2
51 1/2	19 1/2	Vanadium	21 1/2 22
31 1/2	25 1/2	Warner Bros. Pictures	5 4 1/2
9 1/2	7 1/2	Westinghouse E. & M.	35 1/2 35 1/2
58 1/2	23 1/2	Woolworth	49 1/2 50 1/2
54 1/2	35	PREFERRED STOCKS AND BONDS	
44 1/2	25	American & Foreign Power 7% Pfd.	19 1/2 19 1/2
59 1/2	25	Amer. & For. Power 5% deb. of 2030	5 1/2 5 1/2
80	18	American Waterworks \$6 preferred	72 72 1/2
48 1/2	34	Cities Service Power & Light 5 1/2 s/52	44 1/2 45 1/2
66	35	Electric Bond & Share \$6 preferred	49 1/2 49
69 1/2	91 1/2	Int. Tel. & Tel. conv. 4 1/2 s of 1929	67 1/2 67
65	44 1/2	New England Gas & Electric 5s 1947	57 57
		Standard Gas & Elec. 6% notes 1935	92 92

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